

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 25, 1939

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou, God of all grace and goodness, from whom our spirits have come, unto whom we belong, and in whose service is our peace, lift upon us the light of Thy countenance, that we may see our duties more clearly, understand them more wisely, and perform them more faithfully.

Bless Thy servants. In these perilous and difficult days, direct their minds and hearts by Thine own eternal guidance. Beyond the fallibility of human thought, give them divine wisdom. Fill us with a burning passion to see the righteousness of God flow everywhere as a mighty stream.

We pray that Thou wilt lift the nations of the earth into the loftier altitudes of the spirit of good will and peace. Hasten that blessed day of prediction, when it shall be the goal of all our aspirations to do justly, to love mercy, and to walk humbly with our God.

In the name of Christ we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

EXTENSION OF REMARKS

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks made yesterday by inserting excerpts of letters respecting the bill H. R. 3799.

The SPEAKER. Is there objection?

There was no objection.

ELECTION TO COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 174

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committee of the House of Representatives on the District of Columbia, to wit: Mr. FRIES, of Illinois; Mr. EBERHARTER, of Pennsylvania; Mr. TENEROWICZ, of Michigan.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a discussion of the social security by Senator TAFT and Representative SMITH of Illinois.

The SPEAKER. Is there objection?

There was no objection.

Mr. MOSER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered last night over WMAL by Mr. Andrews, the Administrator of the Fair Labor Standards Act.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in three particulars: First, the Federal Housing Administration; second, on the Cuban Trade Treaty; third, on the Conference on Religion.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks upon the bill pending today.

The SPEAKER. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein recommendations of the Brookings Institution in respect to Federal tax changes.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech delivered by Senator ROBERT TAFT, of Ohio, before the Republicans, on the Republicans on the March Dinner, April 20, 1939.

The SPEAKER. Is there objection?

There was no objection.

COMMITTEE ON LABOR—LEAVE TO SIT DURING SESSIONS OF HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Labor may be permitted to sit this afternoon during the session of the House.

The SPEAKER. Is there objection?

There was no objection.

CONDITION OF BUSINESS

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNS. Mr. Speaker, I have received a notification from a good businessman in Wisconsin who writes me as follows:

For God's sake do something. We are hanging on by an eyelash and day after day passes with no hope from Washington.

Our customers cannot invest in our equipment until the Wagner Act has been overhauled; until the excess-profits and capital-gains taxes have been modified so as to encourage capital expenditures; until the everlasting spending of money is stopped and a fair break given to management as well as labor. The Catlin labor bill just passed in Wisconsin could well be a model for Federal legislation.

Will you please write and advise what chance there is of sane legislation?

Mr. Roosevelt challenges you this morning; now is your chance to show whether our legislators are mice or men.

I want to reply to my correspondent, and if there is any Member in Congress that has any suggestions to offer as to an answer to this letter, I would be glad to have such advice.

I also have another letter from a fur producer in Wisconsin who says that he is 100 percent against the President's good-neighbor policy to allow foreign fur farmers to prosper at the expense of our own producers. He states that at the present time he is only interested in mink-pelt production but desires to start now to protect mink producers from what has already been done to the fox producers.

He further informs me that it would interest you to know that a marked increase in imports of silver foxes into this country during January 1939 is shown in the figures released by the Department of Commerce. Arrival of silver-fox skins in January 1939 totaled 14,232 as compared with 3,315 in the like month of 1938. Average value for imported skins in January 1938 was \$33.06 while in 1939 the average was only \$26. This heavy increase in silver-fox imports is attributed to the lowering of the tariff to 37½ percent ad valorem on January 1. The imports were heaviest from Canada, although Norway shipped about 25 percent of the skins received.

He assures the delegation from Wisconsin that they have a big job on their hands to protect the fur industry of this country. He also advises, which is a surprise, that Wisconsin's fur industry produced 52 percent of all the fox and mink pelts raised in the United States in 1937, which brought to the State almost 55 percent of the industry's national income. He also advises that reports indicate that out of a total of 396,463 fox and mink pelts produced in the United States in 1937, Wisconsin produced 206,504. The total income

from the pelts for the entire country in 1937 was \$9,932,556, with the total from Wisconsin alone amounting to \$5,456,640.

This report also reveals that the State's income from furs is almost equal to the combined income from tobacco and canning of peas, of which we produce a large amount of canned peas, and also the combined income from spring and winter wheat, alfalfa seed, market and kraut cabbage, sugar beets, clover seed, and canned corn. The domestic fur industry does not compete in any way with agricultural products, but instead is of direct benefit to agricultural products, in that it affords a significant and desirable market for various products. The fur industry has also helped to rehabilitate marginal and submarginal lands by the establishment of fur farms on such acreage.

My correspondent feels that the tariff on fur should not only be restored to the previous tariff rate but should be increased at least to 75 percent.

GOVERNMENT REORGANIZATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 262)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Select Committee on Government Organization and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of the Reorganization Act of 1939 (Public, No. 19, 76th Cong., 1st sess.) approved April 3, 1939, I herewith transmit reorganization plan No. I which, after investigation, I have prepared in accordance with the provisions of section 4 of the act, and I declare that with respect to each transfer, consolidation, or abolition made in reorganization plan No. I, I have found that such transfer, consolidation, or abolition is necessary to accomplish one or more of the purposes of section 1 (a) of the act.

In these days of ruthless attempts to destroy democratic government, it is baldly asserted that democracies must always be weak in order to be democratic at all, and that, therefore, it will be easy to crush all free states out of existence.

Confident in our Republic's 150 years of successful resistance to all subversive attempts upon it, whether from without or within, nevertheless we must be constantly alert to the importance of keeping the tools of American democracy up to date. It is our responsibility to make sure that the people's Government is in condition to carry out the people's will promptly, effectively, without waste or lost motion.

In 1883 under President Arthur we strengthened the machinery of democracy by the civil-service law; beginning in 1905 President Roosevelt initiated important inquiries into Federal administration; in 1911 President Taft named the Economy and Efficiency Commission which made very important recommendations; in 1921 under Presidents Wilson and Harding we tightened up our budgetary procedure. Presidents Theodore Roosevelt, Taft, Wilson, Harding, Coolidge, and Hoover in succession strongly recommended the rearrangement of Federal administrative activities. In 1937 I proposed, on the basis of an inquiry authorized and appropriated for by the Congress, the strengthening of the administrative management of the executive establishment.

None of all this long series of suggestions, running over more than a quarter of a century, was in any sense personal or partisan in design.

These measures have all had only one supreme purpose—to make democracy work—to strengthen the arms of democracy in peace or war and to insure the solid blessings of free government to our people in increasing measure.

We are not free if our administration is weak. But we are free if we know, and others know, that we are strong; that we can be tough as well as tender-hearted, and that what the American people decide to do can and will be done, capably and effectively, with the best national equipment that modern organizing ability can supply in a country where management and organization is so well understood in private affairs.

My whole purpose in submitting this plan is to improve the administrative management of the Republic, and I feel confident that our Nation is united in this central purpose, regardless of differences upon details.

This plan is concerned with the practical necessity of reducing the number of agencies which report directly to the President and also of giving the President assistance in dealing with the entire executive branch by modern means of administrative management.

Forty years ago, in 1899, President McKinley could deal with the whole machinery of the executive branch through his eight Cabinet Secretaries and the heads of two commissions; and there was but one commission of the so-called quasi-judicial type in existence. He could keep in touch with all the work through 8 or 10 persons.

Now, 40 years later, not only do some 30 major agencies (to say nothing of the minor ones) report directly to the President, but there are several quasi-judicial bodies which have enough administrative work to require them also to see him on important executive matters.

It has become physically impossible for one man to see so many persons, to receive reports directly from them, and to attempt to advise them on their own problems which they submit. In addition, the President today has the task of trying to keep their programs in step with each other or in line with the national policy laid down by the Congress. And he must seek to prevent unnecessary duplication of effort.

The administrative assistants provided for the President in the Reorganization Act cannot perform these functions of over-all management and direction. Their task will be to help me get information, and condense and summarize it—they are not to become in any sense Assistant Presidents nor are they to have any authority over anybody in any department or agency.

The only way in which the President can be relieved of the physically impossible task of directly dealing with 30 or 40 major agencies is by reorganization—by the regrouping of agencies according to their major purposes under responsible heads who will report to the President, just as is contemplated by the Reorganization Act of 1939.

This act says that the President shall investigate the organization of all agencies of the Government and determine what changes are necessary to accomplish any one or more of five definite purposes:

- (1) To reduce expenditures.
- (2) To increase efficiency.
- (3) To consolidate agencies according to major purposes.
- (4) To reduce the number of agencies by consolidating those having similar functions and by abolishing such as may not be necessary.
- (5) To eliminate overlapping and duplication of effort.

It being obviously impracticable to complete this task at one time, but, having due regard to the declaration of Congress that it should be accomplished immediately and speedily, I have decided to undertake it promptly in several steps.

The first step is to improve over-all management, that is to do those things which will accomplish the purposes set out in the law, and which, at the same time, will reduce the difficulties of the President in dealing with the multifarious agencies of the executive branch and assist him in distributing his responsibilities as the chief administrator of the Government by providing him with the necessary organization and machinery for better administrative management.

The second step is to improve the allocation of departmental activities, that is, to do those things which will accomplish the purposes set out in the law and at the same time help that part of the work of the executive branch which is carried on through executive departments and agencies. In all this the responsibility to the people is through the President.

The third step is to improve intradepartmental management, that is, to do those things which will enable the heads

of departments and agencies the better to carry out their own duties and distribute their own work among their several assistants and subordinates.

Each of these three steps may require from time to time the submission of one or more plans involving one or more reorganizations, but it is my purpose to fulfill the duty imposed upon me by the Congress as expeditiously as practicable and to the fullest extent possible in view of the exceptions and exemptions set out in the act.

The plan I now transmit is divided into four parts, or sections, which I shall describe briefly, as follows:

PART 1. EXECUTIVE OFFICE OF THE PRESIDENT

In my message to the Congress of January 12, 1937, in discussing the problem of how to improve the administrative management of the executive branch, I transmitted with my approval certain recommendations for strengthening and developing the management arms of the President. Those three management arms deal with (1) budget and efficiency research, (2) planning, and (3) personnel. My accumulated experience during the 2 years since that time has deepened my conviction that it is necessary for the President to have direct access to these managerial agencies in order that he may have the machinery to enable him to carry out his constitutional responsibility and in order that he may be able to control expenditures, to increase efficiency, to eliminate overlapping and duplication of effort, and to be able to get the information which will permit him the better to advise the Congress concerning the state of the Union and the program of the Government.

Therefore I find it necessary and desirable in carrying out the purposes of the act to transfer the Bureau of the Budget to the Executive Office of the President from the Treasury Department. It is apparent from the legislative history of the Budget and Accounting Act that it was the purpose in 1921 to set up an executive budget for which the President would be primarily responsible to the Congress and to the people, and that the Director of the Budget was to act under the immediate direction and supervision of the President. While no serious difficulties have been encountered because of the fact that the Bureau of the Budget was placed in the Treasury Department so far as making budgetary estimates has been concerned, it is apparent that its coordinating activities and its research and investigational activities recently provided for by the Congress will be facilitated if the Bureau is not a part of one of the 10 executive departments. Also, in order that the Bureau of the Budget may the better carry out its work of coordination and investigation, I find it desirable and necessary in order to accomplish the purposes of the act to transfer to the Bureau of the Budget the functions of the Central Statistical Board.

By these transfers to the Executive Office the President will be given immediate access to that managerial agency which is concerned with the preparation and administration of the Budget, with the coordination of the work of the governmental agencies, and with research and investigation necessary to accomplish the five definite purposes of the Reorganization Act of 1939.

I also find it necessary and desirable to transfer to the Executive Office of the President the National Resources Committee, now an independent establishment, and to consolidate with it by transfer from the Department of Commerce the functions of the Federal Employment Stabilization Office, the consolidated unit to be known as the National Resources Planning Board. This Board would be made up as is the present advisory board of the National Resources Committee of citizens giving part-time services to the Government, who, aided by their technical staff, would be able to advise the President, the Congress, and the people with respect to plans and programs for the conservation of the national resources, physical and human. By these transfers to the Executive Office, the President will be given more direct access to and immediate direction over that agency, which is concerned with planning for the utilization and conservation of the national resources, an indispensable part of the equipment of the Chief Executive.

On previous occasions I have recommended and I hereby renew and emphasize my recommendation that the work of this Board be placed upon a permanent statutory basis.

Because of an exemption in the act it is impossible to transfer to the Executive Office the administration of the third managerial function of the Government, that of personnel. However, I desire to inform the Congress that it is my purpose to name one of the administrative assistants to the President, authorized in the Reorganization Act of 1939, to serve as a liaison agent of the White House on personnel management.

In this manner the President will be given for the first time direct access to the three principal necessary management agencies of the Government. None of the three belongs in any existing department. With their assistance, and with this reorganization, it will be possible for the President to continue the task of making investigations of the organization of the Government in order to control expenditures, increase efficiency, and eliminate overlapping.

PART 2. FEDERAL SECURITY AGENCY

Studies heretofore made by me and researches made at my direction, as well as recommendations submitted by me to the Congress, and especially those contained in my message of January 12, 1937, indicate clearly that to carry out the purposes of the Reorganization Act of 1939 to group, coordinate, and consolidate agencies of the Government according to major purposes and to reduce the number of agencies by consolidating those having similar functions under a single head, would require the provision of 3 general agencies in addition to the 10 executive departments.

It is my objective, then, by transfer, consolidation, and abolition, to set up a Federal Security Agency, a Federal Works Agency, and a Federal Loan Agency, and then to distribute among the 10 executive departments and these 3 new agencies the major independent establishments in the Government—excepting those exempt from the operations of the act—in order to minimize overlapping and duplication, to increase efficiency, and to reduce expenditures to the fullest extent consistent with the efficient operation of the Government.

I find it necessary and desirable to group in a Federal Security Agency those agencies of the Government the major purposes of which are to promote social and economic security, educational opportunity, and the health of the citizens of the Nation.

The agencies to be grouped are the Social Security Board, now an independent establishment; the United States Employment Service, now in the Department of Labor; the Office of Education, now in the Department of the Interior; the Public Health Service, now in the Treasury Department; the National Youth Administration, now in the Works Progress Administration; and the Civilian Conservation Corps, now an independent agency.

The Social Security Board is placed under the Federal Security Agency, and at the same time the United States Employment Service is transferred from the Department of Labor and consolidated with the unemployment-compensation functions of the Social Security Board in order that their similar and related functions of social and economic security may be placed under a single head and their internal operations simplified and integrated.

The unemployment compensation functions of the Social Security Board and the employment service of the Department of Labor are concerned with the same problem, that of the employment or the unemployment of the individual worker.

Therefore they deal necessarily with the same individual. These particular services to the particular individual also are bound up with the public-assistance activities of the Social Security Board. Not only will these similar functions be more efficiently and economically administered at the Federal level by such grouping and consolidation, but this transfer and merger also will be to the advantage of the administration of State social-security programs and result in considerable saving of money in the administrative costs of the governments of the 48 States as well as those of the United States.

In addition to this saving of money there will be a considerable saving of time and energy not only on the part of administrative officials concerned with this program in both Federal and State Governments, but also on the part of employers and workers, permitting through the simplification of procedures a reduction in the number of reports required and the elimination of unnecessary duplication in contacts with workers and with employers.

Because of the relationship of the educational opportunities of the country to the security of its individual citizens, the Office of Education with all of its functions, including, of course, its administration of Federal-State programs of vocational education, is transferred from the Department of the Interior to the Federal Security Agency. This transfer does not increase or extend the activities of the Federal Government in respect to education, but does move the existing activities into a grouping where the work may be carried on more efficiently and expeditiously, and where coordination and the elimination of overlapping may be better accomplished. The Office of Education has no relationship to the other functions of the Department of the Interior.

The Public Health Service is transferred from the Treasury Department to the Federal Security Agency. It is obvious that the health activities of the Federal Government may be better carried out when so grouped than if they are left in the Treasury, which is primarily a fiscal agency, and where the necessary relationships with other social security, employment, and educational activities now must be carried on by an elaborate scheme of interdepartmental committee work.

The National Youth Administration is transferred from the Works Progress Administration to the Federal Security Agency since its major purpose is to extend the educational opportunities of the youth of the country and to bring them through the processes of training into the possession of skills which enable them to find employment. Other divisions of the Federal Security Agency will have the task of finding jobs, providing for unemployment compensation and other phases of social security, while still other units of the new agency will be concerned with the problem of primary and secondary education, as well as vocational education and job training and retraining for employment. While much of the work of the National Youth Administration has been carried on through work projects, these have been merely the process through which its major purpose was accomplished, and, therefore, this agency under the terms of the act should be grouped with the other security agencies rather than with the work agencies.

For similar reasons the Civilian Conservation Corps, now an independent establishment, is placed under the Federal Security Agency because of the fact that its major purpose is to promote the welfare and further the training of the individuals who make up the corps, important as may be the construction work which they have carried on so successfully. The Civilian Conservation Corps is a small coordinating agency which supervises work carried on with the co-operation of several regular departments and independent units of the Government. This transfer would not interfere with the plan of work heretofore carried on but it would enable the Civilian Conservation Corps to coordinate its policies, as well as its operations, with those other agencies of the Government concerned with the educational and health activities and with human security.

PART 3. FEDERAL WORKS AGENCY

In order to carry out the purpose of the Reorganization Act of 1939 I find it necessary and desirable to group and consolidate under a Federal Works Agency those agencies of the Federal Government dealing with public works not incidental to the normal work of other departments, and which administer Federal grants or loans to State and local governments or other agencies for the purposes of construction.

The agencies so to be grouped are: The Bureau of Public Roads, now in the Department of Agriculture; the Public Buildings Branch of the Procurement Division, now in the

Treasury Department; and the branch of building management of the National Park Service (so far as it is concerned with public buildings which it operates for other departments or agencies), now in the Department of the Interior; the United States Housing Authority, now in the Department of the Interior; the Federal Emergency Administration of Public Works (familiarly known as P. W. A.); and the Works Progress Administration (familiarly known as W. P. A.) except the functions of the National Youth Administration.

The transfer of both the Public Works Administration and the Works Progress Administration to the new Federal Works Agency would provide for both principal types of public works that have been carried on by the Federal Government directly or in cooperation with the State and local governments. I find that it will be possible to reduce administrative costs as well as to improve efficiency and to eliminate overlapping by bringing these different programs of public works under a common head. But, because of the differences that justified their separate operation in the past and differences that will continue in the future to distinguish certain phases of major public works from work relief, I find it necessary to maintain them at least for the present as separate subordinate units of the Federal Works Agency.

The present Federal Emergency Administration of Public Works is placed under the Federal Works Agency under the shorter name of Public Works Administration.

The name of the Works Progress Administration has been changed to Work Projects Administration in order to make its title more descriptive of its major purpose.

The Bureau of Public Roads is transferred from the Department of Agriculture to the Federal Works Agency and as a separate unit under the name of Public Roads Administration. This will bring the administration of the Federal roads program, with its grants-in-aid to the States, into coordination with other major public-works programs and other programs of grants and loans to the States.

The construction and operation of many public buildings is now carried on in two agencies which are consolidated under the new Federal Works Agency, namely, the Public Buildings Branch of the Procurement Division of the Treasury Department, which is concerned with the construction of Federal buildings and with the operation of many public buildings outside the District of Columbia, and the Branch of Building Management of the National Park Service, of the Department of the Interior, which is concerned with the operation of public buildings in the District of Columbia. These two separate activities are consolidated in one unit to be known as the Public Buildings Administration. Improved efficiency, coordination of effort, and savings will result from this transfer and consolidation.

Then, also, there is transferred from the Department of the Interior to the Federal Works Agency the United States Housing Authority. The major purpose of the United States Housing Authority is to administer grants-in-aid and loans to local public-housing authorities in accordance with its established standards of construction in that part of the housing field which cannot be reached economically by private enterprise. For these reasons it should be grouped with those agencies which have to do with public works, with grants and loans to State and local governments, and with construction practices and standards.

PART 4. FEDERAL LOAN AGENCY AND TRANSFERS OF INDEPENDENT LENDING AGENCIES

In order to carry out the purposes of the Reorganization Act of 1939 I find it necessary and desirable to group under a Federal Loan Agency those independent lending agencies of the Government which have been established from time to time for the purpose of stimulating and stabilizing the financial, commercial, and industrial enterprises of the Nation.

The agencies to be so grouped in the Federal Loan Agency are the Reconstruction Finance Corporation, the Electric Home and Farm Authority, the Federal Home Loan Bank Board, the Federal Housing Administration, and their associated agencies and boards, as well as the Export-Import Bank of Washington.

Since 1916 the Congress has established from time to time agencies for providing loans, directly or indirectly, for the stimulation and stabilization of agriculture, and such agencies should, in my opinion, be grouped with the other agricultural activities of the Government. For that reason I find it necessary and desirable to accomplish the purposes of the act to transfer the Farm Credit Administration, the Federal Farm Mortgage Corporation, and the Commodity Credit Corporation and associated agencies to the Department of Agriculture.

ECONOMY AND EFFICIENCY

One of the five purposes of the Reorganization Act of 1939 is "to reduce expenditures to the fullest extent consistent with the efficient operation of the Government." This purpose is important in each phase of the plan here presented. The Reorganization Act prohibits abolishing functions—in other words, basic services or activities performed. Therefore the reduction in expenditures to be effected must necessarily be brought about chiefly in the overhead administrative expenses of the agencies set up to perform certain functions. The chance for economy arises, therefore, not from stopping work but from organizing the work and the overhead more efficiently in combination with other similar activities. Only the Congress can abolish or curtail functions now provided by law.

The overhead administrative costs of all the agencies affected in reorganization plan No. I is about \$235,000,000. This does not include the loans they make, the benefits they pay, the wages of the unemployed who have been given jobs; it does not include the loans and grants to States or, in short, the functional expense. It does include the overhead expense of operating and administering all these agencies.

The reduction of administrative expenditures which it is probable will be brought about by the taking effect of the reorganizations specified in the plan is estimated, as nearly as may be, at between \$15,000,000 and \$20,000,000 annually, a substantial lowering of the existing overhead. Certain of these economies can be brought about almost immediately; others will require a painstaking and gradual readjustment in the machinery and business practices of the Government.

Any such estimate is incomplete, however, without reference to the corresponding savings which will follow in the States and cities through the recommended consolidation of the Federal services with which they cooperate, and the improved efficiency and convenience which will be felt by citizens all over the Nation, many of whom will be able to find in a single office many of the services now scattered in several places. These economies will undoubtedly exceed the direct savings in the Federal Budget.

It will not be necessary to ask the Congress for any additional appropriations for the administrative expenses of the three consolidated agencies set up in this plan, since their costs will be met from funds now available for the administrative expenses of their component units. Actually, new expenses will be only a fractional part of the expected savings.

Neither on this reorganization plan No. I nor on future reorganization plans covering interdepartmental changes and intradepartmental changes will every person agree on each and every detail. It is true that out of the many groupings and regroupings proposed in this message a few of the individual agencies could conceivably be placed elsewhere.

Nevertheless, I have been seeking to consider the functional origin and purpose of each agency as required by the reorganization bill itself.

If in the future experience shows that one or two of them should be regrouped, it will be wholly possible for the President and the Congress to make the change.

The plan presented herewith represents 2 years of study. It is a simple and easily understood plan. It conforms to methods of executive administration used by large private enterprises which are engaged in many lines of production. Finally, it will save a sum of money large in comparison with the existing overhead of the agencies involved.

I trust, therefore, that the Congress will view the plan as a whole and make it possible to take the first step in improv-

ing the executive administration of the Government of the United States.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 25, 1939.

REORGANIZATION PLAN NO. I

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 25, 1939, pursuant to the provisions of the Reorganization Act of 1939, approved April 3, 1939

PART 1. EXECUTIVE OFFICE OF THE PRESIDENT

SECTION 1. Bureau of the Budget: The Bureau of the Budget and all of its functions and personnel (including the chairman and Assistant Director) are hereby transferred from the Treasury Department to the Executive Office of the President; and the functions of the Bureau of the Budget shall be administered by the Director thereof under the direction and supervision of the President.

SEC. 2. Central Statistical Board: The Central Statistical Board and all of its functions and personnel (including the chairman and the members of the Board) are hereby transferred to the Bureau of the Budget in the Executive Office of the President. The chairman of the Board shall perform such administrative duties as the Director of the Bureau of the Budget shall direct.

SEC. 3. Central Statistical Committee abolished and functions transferred: The Central Statistical Committee is hereby abolished, and its functions are transferred to the Director of the Bureau of the Budget to be administered by him under the direction and supervision of the President. The Director of the Bureau of the Budget shall promptly wind up any outstanding affairs of the Central Statistical Committee.

SEC. 4. National Resources Planning Board: (a) The functions of the National Resources Committee, established by Executive Order No. 7065 of June 7, 1935, and its personnel (except the members of the committee) and all of the functions of the Federal Employment Stabilization Office in the Department of Commerce and its personnel are hereby transferred to the Executive Office of the President. The functions transferred by this section are hereby consolidated, and they shall be administered under the direction and supervision of the President by the National Resources Planning Board (hereafter referred to as the Board), which shall be composed of five members to be appointed by the President. The President shall designate one of the members of the Board as chairman and another as vice chairman. The vice chairman shall act as chairman in the absence of the chairman or in the event of a vacancy in that office. The members of the Board shall be compensated at the rate of \$50 per day for time spent in attending and traveling to and from meetings or in otherwise exercising the functions and duties of the Board, plus the actual cost of transportation: *Provided*, That in no case shall a member be entitled to receive compensation for more than 30 days' service in 2 consecutive months.

(b) The Board shall determine the rules of its own proceedings, and a majority of its members in office shall constitute a quorum for the transaction of business, but the Board may function notwithstanding vacancies.

(c) The Board may appoint necessary officers and employees and may delegate to such officers authority to perform such duties and make such expenditures as may be necessary.

SEC. 5. National Resources Committee abolished: The National Resources Committee is hereby abolished and its outstanding affairs shall be wound up by the National Resources Planning Board.

SEC. 6. Federal Employment Stabilization Office abolished: The Federal Employment Stabilization Office is hereby abolished and the Secretary of Commerce shall promptly wind up its affairs.

SEC. 7. Transfer of records and property: All records and property (including office equipment) of the several agencies transferred, or the functions of which are transferred, by this part are hereby transferred to the Executive Office of the President for use in the administration of the agencies and functions transferred by this part.

SEC. 8. Transfer of funds: So much of the unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the use of any agency in the exercise of any functions transferred by this part, or for the use of the head of any department or agency in the exercise of any functions so transferred, as the Director of the Bureau of the Budget shall determine, shall be transferred to the Executive Office of the President for use in connection with the exercise of functions transferred by this part. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

SEC. 9. Personnel: Any personnel transferred by this part found to be in excess of the personnel necessary for the efficient administration of the functions transferred by this part shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

PART 2. FEDERAL SECURITY AGENCY

SECTION 201. Federal Security Agency: (a) The United States Employment Service in the Department of Labor and its functions and personnel are transferred from the Department of Labor; the Office of Education in the Department of the Interior and its functions and personnel (including the Commissioner of Education) are transferred from the Department of the Interior; the Public Health Service in the Department of the Treasury and its functions and personnel (including the Surgeon General of the Public Health Service) are transferred from the Department of the Treasury; the National Youth Administration within the Works Progress Administration and its functions and personnel (including its Administrator) are transferred from the Works Progress Administration; and these agencies and their functions, together with the Social Security Board and its functions, and the Civilian Conservation Corps and its functions, are hereby consolidated under one agency to be known as the Federal Security Agency, with a Federal Security Administrator at the head thereof. The Federal Security Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive a salary at the rate of \$12,000 per annum. He shall have general direction and supervision over the administration of the several agencies consolidated into the Federal Security Agency by this section and shall be responsible for the coordination of their functions and activities.

(b) The Federal Security Administrator shall appoint an Assistant Federal Security Administrator, who shall receive a salary at the rate of \$9,000 per annum, and he may also appoint such other personnel and make such expenditures as may be necessary.

(c) The Assistant Administrator shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

(d) The several agencies and functions consolidated by this section into the Federal Security Agency shall carry with them their personnel.

SEC. 202. Social Security Board: The Social Security Board and its functions shall be administered as a part of the Federal Security Agency under the direction and supervision of the Federal Security Administrator. The Chairman of the Social Security Board shall perform such administrative duties as the Federal Security Administrator shall direct.

SEC. 203. United States Employment Service: (a) The functions of the United States Employment Service shall be consolidated with the unemployment-compensation functions of the Social Security Board and shall be administered in the Social Security Board in connection with such unemployment-compensation functions under the direction and supervision of the Federal Security Administrator.

(b) The office of the Director of the United States Employment Service is hereby abolished, and all of the functions of such office are transferred to, and shall be exercised by, the Social Security Board.

(c) All functions of the Secretary of Labor relating to the administration of the United States Employment Service are hereby transferred to, and shall be exercised by, the Federal Security Administrator.

SEC. 204. Office of Education: (a) The Office of Education and its functions shall be administered by the Commissioner of Education under the direction and supervision of the Federal Security Administrator.

(b) All functions of the Secretary of the Interior relating to the administration of the Office of Education are hereby transferred to, and shall be exercised by, the Federal Security Administrator.

SEC. 205. Public Health Service: (a) The Public Health Service and its functions shall be administered by the Surgeon General of the Public Health Service under the direction and supervision of the Federal Security Administrator.

(b) All the functions of the Secretary of the Treasury relating to the administration of the Public Health Service, except those functions relating to the acceptance and investment of gifts as authorized by sections 23 (b) and 137 (e), title 42, United States Code, are hereby transferred to, and shall be exercised by, the Federal Security Administrator.

SEC. 206. National Youth Administration: The National Youth Administration and its functions shall be administered by the National Youth Administrator under the direction and supervision of the Federal Security Administrator.

SEC. 207. Civilian Conservation Corps: The Civilian Conservation Corps and its functions shall be administered by the Director of the Civilian Conservation Corps under the direction and supervision of the Federal Security Administrator.

SEC. 208. Transfer of records and property: All records and property (including office equipment) of the several agencies which, with their functions, are consolidated by section 201 into the Federal Security Agency are hereby transferred to the jurisdiction and control of the Federal Security Agency for use in the administration of the agencies and functions consolidated by that section.

SEC. 209. Transfer of funds: So much of the unexpended balances of appropriations, allocations, or other funds (including those available for the fiscal year ending June 30, 1940) available for the use of any agency in the exercise of any functions transferred by this part, or for the use of the head of any department or agency in the exercise of any functions so transferred, as the Director of the Bureau of the Budget shall determine, shall be transferred for

use in connection with the exercise of the functions transferred by this part. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

SEC. 210. Administrative funds: The Director of the Bureau of the Budget shall allocate to the Federal Security Agency, from appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of the agencies and functions consolidated by this part, such sums, and in such proportions, as he may find necessary for the administrative expenses of the Federal Security Agency.

SEC. 211. Personnel: Any personnel transferred by this part found to be in excess of the personnel necessary for the efficient administration of the functions transferred by this part shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

PART 3. FEDERAL WORKS AGENCY

SECTION 301. Federal Works Agency: (a) The Bureau of Public Roads in the Department of Agriculture and its functions and personnel (including the Chief thereof) are transferred from the Department of Agriculture; the Public Buildings Branch of the Procurement Division in the Treasury Department and its functions and personnel are transferred from the Treasury Department; the Branch of Buildings Management of the National Park Service in the Department of the Interior and its functions and personnel (except those relating to monuments and memorials), and the functions of the National Park Service in the District of Columbia in connection with the general assignment of space, the selection of sites for public buildings, and the determination of the priority in which the construction or enlargement of public buildings shall be undertaken, and the personnel engaged exclusively in the administration of such functions, and the United States Housing Authority in the Department of the Interior and its functions and personnel (including the Administrator) are transferred from the Department of the Interior; and all of these agencies and functions, together with the Federal Emergency Administration of Public Works and its functions, and all of the Works Progress Administration and its functions (except the National Youth Administration and its functions) are hereby consolidated into one agency to be known as the Federal Works Agency, with a Federal Works Administrator at the head thereof. The Federal Works Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive a salary at the rate of \$12,000 per annum. He shall have general direction and supervision over the administration of the several agencies consolidated into the Federal Works Agency by this section and shall be responsible for the coordination of their functions.

(b) The Federal Works Administrator shall appoint an Assistant Federal Works Administrator, who shall receive a salary at the rate of \$9,000 per annum, and he may also appoint such other personnel and make such expenditures as may be necessary.

(c) The Assistant Administrator shall act as Administrator during the absence or disability of the Administrator, or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

(d) The several agencies and functions consolidated by this section in the Federal Works Agency shall carry with them their personnel.

SEC. 302. Public Roads Administration: (a) The Bureau of Public Roads and its functions shall be administered as the Public Roads Administration at the head of which shall be the Chief of the Bureau of Public Roads whose title shall be changed to Commissioner of Public Roads. Hereafter the Commissioner of Public Roads shall be appointed by the Federal Works Administrator.

(b) All functions of the Secretary of Agriculture relating to the administration of the Bureau of Public Roads are hereby transferred to, and shall be exercised by, the Federal Works Administrator.

SEC. 303. Public Buildings Administration: (a) The Public Buildings Branch of the Procurement Division and its functions, the Branch of Buildings Management of the National Park Service and its functions (except those relating to monuments and memorials) and the functions of the National Park Service in the District of Columbia in connection with the general assignment of space, the selection of sites for public buildings, and the determination of the priority in which the construction or enlargement of public buildings shall be undertaken, are hereby consolidated and shall be administered as the Public Buildings Administration, with a Commissioner of Public Buildings at the head thereof. The Commissioner of Public Buildings shall be appointed by the Federal Works Administrator and shall receive a salary at the rate of \$9,000 per annum. The Commissioner of Public Buildings shall act under the direction and supervision of the Federal Works Administrator.

(b) All functions of the Secretary of the Treasury and the Director of Procurement relating to the administration of the Public Buildings Branch of the Procurement Division and to the selection of location and sites for public buildings, and all functions of the Secretary of the Interior and the Director of the National

Park Service relating to the administration of the functions of the Branch of Buildings Management and the functions of the National Park Service in the District of Columbia in connection with the general assignment of space, the selection of sites for public buildings, and the determination of the priority in which the construction or enlargement of public buildings shall be undertaken, are hereby transferred to, and shall be exercised by the Federal Works Administrator.

Sec. 304. United States Housing Authority: (a) The United States Housing Authority and its functions shall be administered by the United States Housing Administrator under the direction and supervision of the Federal Works Administrator.

(b) All functions of the Secretary of the Interior relating to the administration of the United States Housing Authority are hereby transferred to, and shall be exercised by, the Federal Works Administrator.

Sec. 305. Public Works Administration: The Federal Emergency Administration of Public Works and its functions shall be administered as the Public Works Administration with a Commissioner of Public Works at the head thereof. The Commissioner of Public Works shall be appointed by the Federal Works Administrator and shall receive a salary at the rate of \$10,000 per annum. The Commissioner of Public Works shall act under the direction and supervision of the Federal Works Administrator.

Sec. 306. Work Projects Administration: The Works Progress Administration and its functions (except the National Youth Administration and its functions) shall be administered as the Works Projects Administration, with a Commissioner of Work Projects at the head thereof. The Commissioner shall be appointed by the Federal Works Administrator and shall receive a salary at the rate of \$10,000 per annum. The Commissioner shall act under the direction and supervision of the Federal Works Administrator.

Sec. 307. Transfer of records and property: All records and property (including office equipment) of the several agencies which, with their functions, are consolidated by section 301 into the Federal Works Agency are hereby transferred to the jurisdiction and control of the Federal Works Agency for use in the administration of the agencies and functions consolidated by that section.

Sec. 308. Transfer of funds: (a) So much of the unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the use of any agency (except the United States Housing Authority) in the exercise of any functions transferred by this part, or for the use of the head of any department or agency in the exercise of any functions so transferred, and so much of such balances available to the United States Housing Authority for administrative expenses, as the Director of the Bureau of the Budget shall determine, shall be transferred for use in connection with the exercise of the functions transferred by this part. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer: *Provided*, That the use of the unexpended balances of appropriations, allocations, or other funds transferred by this section shall be subject to the provisions of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

(b) All unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the use of the United States Housing Authority, other than those transferred by subsection (a) of this section, are hereby transferred with the United States Housing Authority and shall remain available to it for the exercise of its functions.

Sec. 309. Administrative funds: The Director of the Bureau of the Budget shall allocate to the Federal Works Agency, from appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of the agencies and functions consolidated by section 301, such sums, and in such proportions, as he may find necessary for the administrative expenses of the Federal Works Agency.

Sec. 310. Personnel: Any of the personnel transferred by this part found to be in excess of the personnel necessary for the efficient administration of the functions transferred by this part shall be retransferred under existing law to other positions in the Government service, or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

PART 4. LENDING AGENCIES

SECTION 401. (a) Transfers to the Department of Agriculture: The Farm Credit Administration, the Federal Farm Mortgage Corporation, and the Commodity Credit Corporation, and their functions and activities, together with their respective personnel, records, and property (including office equipment), are hereby transferred to the Department of Agriculture and shall be administered in such Department under the general direction and supervision of the Secretary of Agriculture, who shall be responsible for the coordination of their functions and activities.

(b) Transfer of administrative funds: So much of the unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of any agency transferred by this section, as the Director of the Bureau of the Budget shall determine, shall be transferred to the Secretary of Agriculture for such use; and the Director of the Bureau of the Budget shall allocate to

the Secretary of Agriculture from such funds, such sums, and in such proportions, as he may find necessary for the administrative expenses of the Secretary of Agriculture in connection with the agencies and functions transferred by this section. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer. The use of the unexpended balances of appropriations, allocations, or other funds transferred by this subsection shall be subject to the provision of section 4 (d) (3) and section 9 of the Reorganization Act of 1939.

(c) Transfer of other funds: All unexpended balances of appropriations, allocations, or other funds, other than those mentioned in subsection (b) of this section, available (including those available for the fiscal year ending June 30, 1940) for any agency transferred by subsection (a) of this section shall be transferred with such agency and shall remain available to it for the exercise of its functions.

(d) Personnel: Any of the personnel transferred by this section to the Department of Agriculture which the Secretary of Agriculture shall find to be in excess of the personnel necessary for the administration of the functions transferred by this section shall be retransferred under existing law to other positions in the Government, or separated from the service subject to the provisions of section 10 (a) of the Reorganization Act of 1939.

Sec. 402. (a) Federal Loan Agency: There shall be at the seat of the government a Federal Loan Agency, with a Federal Loan Administrator at the head thereof. The Federal Loan Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive a salary at the rate of \$12,000 per annum.

(b) Assistant Federal Loan Administrator: The Federal Loan Administrator shall appoint an Assistant Federal Loan Administrator, who shall receive a salary at the rate of \$9,000 per annum. The Assistant Administrator shall act as Administrator during the absence of disability of the Administrator, or in the event of a vacancy in that office, and shall perform such other duties as the Administrator shall direct.

(c) Powers and duties of Administrator: The Administrator shall supervise the administration, and shall be responsible for the coordination of the functions and activities of the following agencies: Reconstruction Finance Corporation, Electric Home and Farm Authority, RFC Mortgage Co., Disaster Loan Corporation, Federal National Mortgage Association, Federal Home Loan Bank Board, Home Owners' Loan Corporation, Federal Savings and Loan Insurance Corporation, Federal Housing Administration, and Export-Import Bank of Washington. The Administrator may appoint such officers and employees and make such expenditures as may be necessary.

(d) Administrative funds: The Director of the Bureau of the Budget shall allocate to the Federal Loan Agency, from appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1940) for the administrative expenses of the agencies named in this section, such sums, and in such proportion, as he may find necessary for the administrative expenses of the Federal Loan Agency.

MR. AUGUST H. ANDRESEN. Mr. Speaker, a parliamentary inquiry.

THE SPEAKER. The gentleman will state the parliamentary inquiry.

MR. AUGUST H. ANDRESEN. It is my understanding that the recommendations made by the President must be disapproved by the Congress within 60 days from today. My parliamentary inquiry is this: Should the Congress adjourn before the 60 days has expired, will the President's recommendations become operative within the 60-day period?

THE SPEAKER. The Chair will read subsection (b) of section 5 of the Reorganization Act:

If the Congress adjourns sine die before the expiration of the 60-day period, a new 60-day period shall begin on the opening day of the next succeeding or regular special session. A similar rule shall be applicable in the case of subsequent adjournments sine die before the expiration of 60 days.

EXTENSION OF REMARKS

MR. KNUTSON. Mr. Speaker, I ask unanimous consent to extend in the RECORD an article by Rev. O'Brien, of the Newman Foundation, Champaign, Ill.

THE SPEAKER. Is there objection?

MR. SABATH. Reserving the right to object, what is the article?

MR. KNUTSON. It is an article by the Rev. John J. O'Brien, of the Newman Foundation of Champaign, Ill. It has no political significance.

THE SPEAKER. Is there objection?

There was no objection.

By unanimous consent Mr. WILLIAMS of Missouri and Mr. SABATH were granted permission to extend their own remarks in the RECORD.

GOVERNMENT REORGANIZATION

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, the President of the United States has just submitted his first proposal under the reorganization bill. It must be disapproved by the Congress in whole in order to destroy it.

I wish to call attention to the fact that here in the second proposal there is an attempt to merge two relief activities under the Securities Division. That is the N. Y. A. and the C. C. C., both of which are temporary activities. There is in the third proposal, an attempt to merge the Housing activity and the W. P. A., an emergency activity, and P. W. A., an emergency activity, with the works activity. Those activities should be temporary and should not be merged with anything. We should not attempt to create permanent activities by this kind of consolidation. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. WARREN. Mr. Speaker, in reply to the gentleman from New York [Mr. TABER], after listening very carefully to the message that has just been submitted to the Congress, I am convinced that the President has done a magnificent job on this plan. [Applause.] The answer to the question just raised by the gentleman from New York is that under the act itself no reorganization shall have the effect of continuing any agency or function beyond the time when it would have terminated if the reorganization had not been made. Therefore, these temporary agencies, put together in another agency, of course, can only exist so long as the Congress has permitted them to exist, or so long as they may be renewed by the Congress itself. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN rose.

The SPEAKER. Does the gentleman from Texas desire recognition?

Mr. RAYBURN. I had intended to ask permission to address the House for 1 minute, but the gentleman from North Carolina [Mr. WARREN] has so well answered the statement of the gentleman from New York that it is unnecessary.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4630) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes."

The message also announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 2061. An act for the relief of Ernest O. Robinette and others;

H. R. 2074. An act for the relief of Junius Alexander;

H. R. 2098. An act for the relief of Katherine Patterson; and

H. R. 2320. An act to provide domiciliary care, medical and hospital treatment, and burial benefits to certain veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion.

ACQUISITION OF STOCKS OF STRATEGIC AND CRITICAL MATERIALS

Mr. LEWIS of Colorado. Mr. Speaker, I call up House Resolution 173.

The Clerk read as follows:

House Resolution 173

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into

the Committee of the Whole House on the state of the Union for the consideration of H. R. 5191, a bill to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the bill shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

I yield myself 8 minutes at this time.

Mr. Speaker, this is a unanimous report from the Committee on Rules and, as stated in the resolution, it provides for 3 hours of general debate. It is an open rule for the consideration of the bill H. R. 5191.

I shall not attempt at this time to go into the merits of the bill, which will be fully explained by members of the Committee on Military Affairs, except to say that it provides, as is indicated in the title, "for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States."

There are many of these strategic and critical materials, but most prominent among those which we lack are manganese, chrome, tungsten, tin, and rubber.

Let me emphasize that this bill does not embody a new idea arising out of the present situation in Europe. It is not the child of any war hysteria. It is the fruition of years of study by the Procurement Division of the Treasury, by the Planning Branch in the office of the Assistant Secretary of War and of the General Staff of the Army, and by the War Procurement Planning Section of the Office of Naval Operations of the Navy. It is a plan which has been frequently discussed in the House during the 6 years I have been a Member of the House and doubtless was discussed frequently before. The details of the bill, as I stated, will be discussed at length by the members of the committee.

However, I wish to remind the House of a rather dramatic and tragic incident which happened during the World War the loss of the *Cyclops*, with a large cargo of manganese which, after all, is the most important of the critical and strategic materials so far as we are concerned. You will readily recall the incident.

In the winter of 1917-18 every steel plant in the United States from coast to coast was running at full capacity to supply steel for new ships to replace submarine losses, for strategic railways behind the lines in France, for munitions, and ever more munitions. The same was true of the steel plants in Germany. The situation is perhaps best epitomized by the statement frequently made at that time by which the steel industry of the United States was referred to under the name of one of the great steel centers of America—namely, Pittsburgh—and the steel industry in Germany was referred to by the name of the great steel center in Germany—namely, Essen. You will recall the expression frequently used at that time, that the war had come to be a contest between the steel industries of the United States and Germany. The common saying was, "It is Pittsburgh against Essen." We know, of course, that Pittsburgh won—but not by any too wide a margin.

Ferromanganese is an essential in the manufacture of modern steel. One of the pressing problems of our steel makers at that time was the shortage of manganese. Although our domestic producers were running at full capacity, they supplied our steel plants in this country with only 30 to 33½ percent of the needs of the steel plants of the United

States. We were obliged to look elsewhere for the balance of the necessary amount of manganese. One of the sources of supply for the best quality of manganese was and is Russia; but the Dardanelles were fortified by the Turks, and we could not bring manganese from Russia because this passage from the Black Sea to the Mediterranean was blocked.

Domestic production of manganese was running at full capacity, but it did not suffice. Our reserves of manganese were running low. The situation was not merely serious, it was critical.

Further to realize how critical it was we should recall the military situation. Germany was preparing for the Hindenburg drive, which was designed to break through the western front, roll back the allied armies to Paris and beyond, and win the war before the bulk of the American Army could reach France. Those were grim days in February and March of 1918.

Finally arrangements were made by the United States to secure from Brazil a somewhat inferior quality of manganese. A naval auxiliary vessel, the *Cyclops*, was sent in January of 1918 to Rio de Janeiro to secure a cargo of manganese. In Rio it was loaded with 10,800 tons of manganese and started north, touching at the Barbados, and on March 4, 1918, sailed from the Barbados for Baltimore, where she was due to arrive on March 13, 1918. Neither the *Cyclops* nor any of the 309 persons making up the officers, crew, and passengers of the ship were heard from again. This absolutely essential cargo of manganese was lost without trace.

Whether the loss of the *Cyclops* was due to sabotage, whether the ship was torpedoed—which later investigation in Germany seems to indicate is unlikely—or whether the cargo shifted and the ship capsized or broke up and sank is not known. The disappearance of the *Cyclops* remains one of the unsolved mysteries of the seas.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Colorado. I will yield in a moment.

This presented a very difficult situation to our steel manufacturers, to the Army, to the Navy, to the allied armies on the western front, which were depending to such a great extent upon the products of our steel mills. Great Britain had a very meager store of manganese at that time, none of which her own steel industry could afford to give up. But the United States arranged to buy from Britain 40,000 tons of ferromanganese at a cost of \$400 a ton, which is five times the present price of this material. Had we not been able to get this supply from Great Britain, say the experts in various departments of our Government, our production of steel and munitions would necessarily have been curtailed. Probably it would not have been possible to start the final drive in the early summer of 1918, which, inspired by the presence and participation of the American Army, won the war.

This rather dramatic incident demonstrates what the situation was when all the sea lanes were open—I say all, practically all. It gives us cause to think what might happen if by submarines or airplanes our sea lanes to those countries which produce the major part of these strategic materials which we lack were closed.

I emphasize again that the plan embodied in this bill is not an idea born of the present situation in Europe, but that it is the deliberate conclusion reached after long and careful studies by experts in our Government departments which have been considering the question for many years. It has been the subject of discussion in the House on many occasions.

At this point, in view of the very, very fine report on this bill by the Committee on Military Affairs, I ask unanimous consent to insert the committee's report at this point as part of my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The report referred to follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 5191) to provide for the common defense by acquiring

stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States, and for other purposes, having considered the same, submit the following report thereon with the recommendation that it do pass.

The committee in consideration of this bill, conducted extensive hearings over a period of several weeks, at which various officers and representatives of the War Department, and other Government departments concerned, testified at length, and, after the presentation of much evidence, the committee proceeded into executive session for the consideration of amendments to the bill, and the reported bill is the final result of the hearings and executive consideration of the measure.

The committee, after considering the measure from two principal angles: First, solely as a national-defense measure, and secondly as a measure designed to develop our national resources of strategic raw materials needed for the national-defense program, particularly as shown by the uncontroverted testimony of all witnesses to be an essential means of making the United States independent of foreign sources of strategic raw materials and supplies, reported the bill favorably. We have, however, placed the essential consideration, that is, development of our own natural resources, necessarily as secondary to the important matter of obtaining at the earliest practicable date consistent with the general welfare of the necessary stock piles and supplies of these strategic raw materials.

The War Department has submitted a large amount of evidence emphasizing the needs of the Department for a number of strategic raw materials, and they have placed special emphasis on at least four of them, with manganese at the head of the list because of the fact that steel cannot be produced without adequate supplies of high-grade ferromanganese, and it is so well known that we are practically destitute of any known or discovered resources of tin and rubber, that your committee believes that the particular in which the measure provides for the acquisition of any or all of these strategic supplies from foreign sources is a wise conclusion and in harmony with the needs of national defense at this particular time when there is so much discord and military activity in European countries.

The committee has written into the bill a declaration of congressional policy, the effect of which is to encourage as far as consistent to do so, the discovery and development of the sources of raw material in this country, and it is felt that the situation is similar to that which requires the placing of what is known as "educational orders" with dormant and inactive factories.

The principle involved being by the placing of educational orders with factories adapted to the production of noncommercial articles, that is, those not of commercial value other than in the national-defense picture; and it is likewise felt that, inasmuch as such strategic and critical materials as manganese, tungsten, tin, and rubber are now very largely obtained from foreign sources, if a general war, which is not at this time unlikely, should occur, the lines of trade and commerce with foreign countries might be severed to such extent as to compel this country, in case of a national emergency, to resort entirely to domestic production of these vital necessities; and it is felt that, while the money authorized to be appropriated in the bill (\$100,000,000) is being used, at least a sufficient portion of it should be allocated to the letting of contracts for high-grade ferromanganese, tin, and chrome from domestic deposits where possible, and thus obtain for stockpile requirements as much as possible of the supplies from domestic sources and thereby encourage development of our domestic industries so as to make it possible in the event of a national emergency to procure the needed supplies from domestic sources.

In an abstract report by the Bureau of Mines, printed in the record of the hearings, and which the committee has had occasion to give considerable study, that Department makes this statement:

"The present international situation brings sharply to attention the problem of strategic or deficient minerals. The position of the United States with respect to them is now far more acute than at any other time in its history. Since the World War a great deal of publicity has been given to this question but, with minor exceptions, nothing tangible has been accomplished in solving it despite its importance as an element in national security. Heretofore efforts to overcome our dependence on foreign sources of certain basic mineral raw materials have been limited to encouragement of domestic industries under tariff protection, but this method has not produced results."

Evidence before your committee as well as before the Senate committee of a very substantial character discloses that a vast quantity of some of these materials exists in some 15 or 20 of our States, and that during the World War, when prices were high, the domestic industries, particularly the manganese industry, was encouraged to make further and additional development of their mines and properties that production of manganese in particular, which is regarded by the committee and by the War Department as strategic mineral No. 1 in matter of importance, rose from a domestic production of 2,635 tons in 1914, with 31 producers engaged in the industry, and within the 3 years thereafter, going up to 1918, the production went up from this small tonnage to 305,869 tons, and the number of producers from 31 to 247, and this is quite convincing that if the industry, then in its infancy, practically dormant, could revive to that extent, that with modern equipment

and machinery now available from many sources, and with trial orders sufficient to give encouragement to further development, our domestic sources, particularly in relation to manganese, which is the backbone of our national-defense program, could be developed to such an extent that within a period of some 4 or 5 years we would probably be independent of foreign sources for supplies.

The committee has authorized the appropriation of \$100,000,000 for this purpose but has not allocated any portion of the authorization to any particular year, but has provided that it is subject to use by the War Department as in the judgment of the officials in control of acquisition as to the extent to which they shall go in the acquisition of foreign stocks, or encouragement of development and production of domestic stocks. The committee feeling that under existing world conditions it might be necessary to spend the whole of the money authorized, or such portion as may be appropriated by the Appropriations Committee, in 1 year, while any change of conditions might justify its being spent over a period of 4 years at the rate of about \$25,000,000 per year.

This matter, the committee felt, should be left to the sound judgment of the Ordnance Branch of the War Department, under the supervision of the Secretary of War, and the Procurement Division concerned with procuring these stock piles.

Two methods of solving this problem have been suggested to your committee: First, the purchase of stock piles of strategic minerals to be held in reserve for military and civilian use in an emergency; and, second, the stimulation of domestic industries by tariff protection or other subsidies.

It is the opinion of your committee that if the acquisition of stock piles is established as a national policy, certain advance precautions should be taken in the public interest. Material purchased for storage must be of standard grade, such as industry is accustomed to using, as we should no more expect our industries to function in time of war with off-grade raw materials than we would expect the Army and Navy to fight with defective equipment.

The bill also provides for the acquiring of stocks of strategic and critical materials for the national defense from nations which are indebted to the United States and which will consent to credit the agreed purchase price on the principal of such indebtedness; also to undertake the acquisition of these materials from those nations who will consent to exchange surplus agricultural commodities owned by the Federal Government. Stocks so acquired to constitute a national reserve and to be used only during an emergency upon order of the President in time of war or when he shall find that a national emergency exists with respect to national defense as a consequence of the threat of war.

It was developed by testimony given before this committee by the various departments that the United States, while self-supporting with regard to national resources, to a greater extent than any other nation, is lacking certain raw materials essential to the need of the armed forces of the Nation and to the well-being of the civilian population in event of war.

The important strategic raw materials, manganese, chromium, tungsten, and tin, are either entirely lacking in this country or are produced in very limited quantities incapable of marked expansion and supplies must be imported over long ocean routes.

The United States would find itself at a grave disadvantage in the event that war or other emergency should close the sea lanes or block the normal sources of supply.

To assure that our military forces be adequately supplied with munitions, and that the civilian element suffer no unnecessary hardship in event of war, it is advisable that stocks of these strategic materials be sufficient, when supplemented by domestic production and supplies carried in the hands of dealers and manufacturers, to last the Nation through at least 2 years of national emergency, be procured in time of peace or reasonable international tranquillity and released upon emergency upon order of the Secretary of War.

It is advisable that this legislation be enacted at this time since it is evident that its provisions can be carried out only in time of peace. Furthermore, the provisions of the Neutrality Act add urgency to this legislation since, even during a major war to which this Nation were not a party, the application of the embargoes provided in the Neutrality Act might result in retaliatory action on the part of the nations involved with resulting hardship and diplomatic friction to the United States.

Discussion of the four strategic materials follows:

MANGANESE ORE

The principal use of manganese is in the manufacture of steel. It is impossible to produce sound steel without high-grade manganese ore. Other uses are in dry batteries, in paint and varnish, and in fertilizer.

The principal sources are Russia, Africa, Brazil, and India.

Small quantities of ferro-grade ore are produced in this country and in Cuba.

Stock pile recommended, 554,000 long tons.

CHROME ORE

Principal use of chromium is in the manufacture of high-grade alloy and corrosion-resisting steels. Other uses are in refractories, brick and cement, and in the chemical industry for electroplating, dyeing, and tanning.

Sources are South Africa, Turkey, India, and New Caledonia.

Domestic stocks are limited and production has averaged only 500 tons per year.

Domestic production in war is estimated at not more than 25 percent of requirements.

Stock pile recommended, 250,000 long tons.

TUNGSTEN ORE

Tungsten is used principally in the steel industry in producing high-speed tool steel. The mass production required in war makes tool steel for high-speed machining of metals vital.

Sources are China, Burma, and Bolivia.

Domestic production in war can be increased to supply approximately 25 percent of requirements.

Stock pile recommended, 3,350 short tons.

TIN

Principal use is in tinplate for food containers. It is also used in bearings, for solder, and in the making of bronze and tinfoil.

Sources are in the Straits Settlements of Malaya, the United Kingdom, and Bolivia.

There is no domestic production of tin, although approximately 30 percent of requirements may be obtained from secondary sources, including detinning.

Stock pile recommended, 85,000 short tons.

Mr. LEWIS of Colorado. Mr. Speaker, I yield now to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK of Utah. Does not the story the gentleman has so dramatically told emphasize the fact that in creating stock piles of strategic minerals we should not lose sight of the abundant manganese deposits in the United States and particularly in Utah, Colorado, and other intermountain States, also to some extent here in the East? We should not overlook the importance of developing this source of manganese so that we shall not be dependent on foreign countries for it during a state of war. By developing our local deposits we can depend on American manganese rather than foreign manganese.

Mr. LEWIS of Colorado. A very important feature of this bill provides for the development of domestic manganese.

Mr. O'CONNOR rose.

Mr. LEWIS of Colorado. May I suggest to the gentleman that he make his inquiries of members of the Committee on Military Affairs?

Mr. O'CONNOR. I want to supplement by an observation the statement made by the gentleman from Utah, if the gentleman will yield.

Mr. LEWIS of Colorado. I yield to the gentleman.

Mr. O'CONNOR. Supplementing what the gentleman from Utah said, may I call the gentleman's attention to the fact that Montana alone is capable of producing 70,000 tons of manganese annually and has shipped 16,844 long tons, or two-thirds of the entire amount shipped from the United States during the year 1937. We have great bodies of manganese and chromite in the State of Montana that have not been developed. That is one reason why I am very strong for this bill, with some suggestions to be made later on as to amendment.

Mr. LEWIS of Colorado. As I said a moment ago, this bill provides for the investigation and development of those resources.

Mr. Speaker, I reserve the balance of my time.

COMMITTEE ON CLAIMS

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the Committee on Claims may have permission to sit during the session of the House on Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. KENNEDY]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I presume this is agreeable to the minority members of that committee?

Mr. KENNEDY of Maryland. I have not consulted them, but this meeting is for the purpose of considering an omnibus bill. The gentleman from New Jersey [Mr. THOMAS], minority member of the committee, I am sure, will be agreeable.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. KENNEDY]?

There was no objection.

ACQUISITION OF STOCKS OF STRATEGIC AND CRITICAL MATERIALS

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, in discussing the bill before us (H. R. 5191), a proposal to vote \$100,000,000 or more of Federal funds for the purchase of so-called strategic or critical materials, I wish to state I hope that the provisions specified in section 7 will be carried out in a sound and beneficial manner. Especially do I hope that a great proportion of this appropriation will be used for the purchase of American-made goods, American-mined ores, and every other profitable product of the soil and of the toil of our American citizenship.

I am not a blind or a partisan critic of this administration, nor am I criticizing the motives underlying the philosophy behind this measure to purchase so-called strategic materials. I realize full well that we have an inadequate supply of certain critical minerals and other materials, such as tin, rubber, nickel, manganese, and chromium in this country. I am fully aware that when chromium and other alloys are added to our American-made steel and American-made copper they make harder, tougher metals, more suitable for the many purposes of armaments and other war uses. For instance, gun barrels, cannons, steel helmets would be ineffective without chromium. It is undoubtedly important that we have ample supplies of these materials to properly safeguard ourselves in the event of an attack on our own shores.

Mindful as I am that we have now embarked on a campaign of spending hundreds of millions of dollars on war machinery, I am not unmindful that millions of our people are fearful that we are going to become embroiled in a European war. Why, I ask, this dreadful specter of war? Do you not, Mr. Speaker, yourself, believe that much of the war hysteria of the people of the United States is due to the attitude of many here in Washington? Do you not believe that this bill which provides for the piling up of war supplies will but further agitate our own, as well as foreign nationals?

I, for one, believe not alone that we should but that we can remain out of foreign wars if henceforth we but mind our own business, and millions of our citizens are of the same mind.

For hundreds of years European conflicts have been raged over certain boundary lines. I now repeat what I have stated many times: What difference does it make to our citizenship along what river or chain of mountains the boundaries of the states of Europe, Asia, or Africa are laid? "What matter to us what flag flies over Djibouti or Tunisia?" "What difference to us, whether foreign countries be ruled by so-called 'czars,' or 'kaiser,' or 'kings,' or whether they be designated 'commissars,' or 'fuerhers,' or 'duces.'" All rule with an iron hand. The type of government which the people of foreign countries want is for them, not for us, to decide. "What difference to us, whether any European country have 600 or 800,000 soldiers when we have our own standing army of unemployed amounting to approximately 12,000,000?" Each time legislation comes before us, we should ask ourselves: Will it help the farmer? Will it put Americans back to work in our mines, on our railroads, in our factories? So I ask today, what does this bill do for our own people? What can those who will administer it do best to assure benefits to our own citizenry? Those are the questions which constitute the real kernel of this and all discussion.

In my opinion, such foreign purchases are but a temporary solution. Are we to be called upon forever to spend hundreds of millions of dollars on foreign-made goods for war purposes? You will readily admit that such a procedure would not make us self-sufficient or permanently solve our problem. There is only one way to do that, and that is to develop, as far as possible, our own industries in America for producing these materials. Are we under this bill, Mr. Speaker, to buy millions of dollars worth of manganese from foreign countries when the records of the United States Government Survey shows natural deposits in excess of 100,000,000 tons of man-

ganese ore in South Dakota alone, to say nothing of the actual production over the years of manganese in Arizona, Montana, Nevada, and Virginia? It is a historic fact that the State of Virginia, during the War between the States, produced 18,000 tons of manganese, and a further fact that since that time that great Commonwealth has produced in excess of 1,440,000 tons for the American steel industry. It is also a fact, Mr. Speaker, that prior to the World War American industry was entirely dependent upon Germany for her chemicals and dyes. In the United States today we produce our own picric acids, our own nitrogens, and our own dyes. Such also was the history of the portland-cement industry, all of which came from England until the Republican tariffs imposed in the McKinley administration gave birth to the development of that industry in America. Otherwise we would be voting money today to buy foreign cement as a strategic material. So I say to you today: Let us develop our own industries. It can be done. It should be done. Let this Congress give our own people work. It is their heritage, not ours to deny it to them.

Let me refer you to the testimony of my colleague the Honorable J. F. SCRUGHAM, Democratic Representative to Congress from the State of Nevada, and quote from testimony taken at the hearing before the Military Affairs Committee February 28, 1929, on this bill:

Mr. FADDIS. Do you think it is important for us to obtain a foreign supply of these strategic materials or to develop home industry?

Mr. SCRUGHAM. I think it is far more important for us to develop home industry.

Mr. FADDIS. How long do you think it will take to develop home industry?

Mr. SCRUGHAM. That is a matter of spending dollars and cents. All of the materials, even tin, exist in this country, and particularly there are occurrences of nickel in several places which have not been explored.

Mr. FADDIS. But particularly with reference to the supply of manganese, what do you think?

Mr. SCRUGHAM. In my opinion, there is an ample supply in this country, but it requires tariff protection or wartime conditions for commercial production.

Remember, Mr. Speaker, that the distinguished gentleman from Nevada who admits that it requires the application of the Republican principles of tariff protection to develop this for our domestic infant industries is himself a Democrat.

The public press informs us that the German motor lorries, motortrucks, and other mobiles, mechanized artillery now roll down the highways of the German Reich on ersatz. In this instance ersatz is a rubber substitute, a synthetic rubber product made of bituminous coal and lime, vast deposits of which natural resource exist not alone in the great State of Illinois but elsewhere throughout the country.

Among the best signal wires and cables made use of by the Signal Corps in the World War were those insulated with synthetic rubber made of American-produced sulfur, talcum, and vegetable oils, produced by American miners, quarrymen, and farmers. Almost daily in Congress we hear of the superiority of the German air forces over our American air forces. This is said to be due to the lack of proper research studies necessary to the construction of the American aircraft.

I am going to submit to this Congress the proposition of submitting to all suitable departments of our Government such as the War, the Navy, the Department of Agriculture, and of Commerce, a proposal to proceed immediately to a factual determination that would sound out in truth the real or fancied shortage now existent in so-called strategic materials.

Further, that this Congress should ascertain from the Federal Tariff Commission the cost of production of manganese abroad as well as in the United States and of any and all other materials purchased under this act. I further propose that they report these findings back to this Congress so that proper steps may be taken that would insure for all time our economic self-sufficiency in any critical material of which there is an insufficiency for all purposes both in peace and in national defense.

Mr. Speaker, I am not interested in the least in building up the agriculture, the forest, or the mining interests of other countries. I am interested in maintaining the tonnage necessary to the support of the transcontinental railroad systems which converge on the shores of Lake Michigan at Chicago. Are we to see these foreign materials piled up on the Atlantic and Pacific seaboard hauled and transported in foreign ships while our trains and train crews lie idle?

More particularly, Mr. Speaker, I am tremendously interested in reducing unemployment in the mines, in the fields, as well as in the forests of the United States, and I am even still more profoundly interested in building up and not depleting the incomes of American workers throughout the United States.

If there ever was a time when we needed to explore, discover, and develop our own American national resources, certainly today is the time, faced, as we are, with top-heavy unemployment in every basic American industry. Let us no longer be romanticists and idealists in the discussion of this measure. Let us in no uncertain terms make it clear that the preponderance of these moneys be used for the benefit of our own farmers, our own miners, our own railroaders. Let us clearly understand that we will develop so far as possible these strategic materials in this country, for only then will we be self-sufficient.

I was deeply impressed, Mr. Speaker, by a news article carried on the front page of one of our great Chicago dailies under date of Friday April 21. The fundamental economic and factual soundness underlying that article commended it to me. The brilliant editorial expression and policies that characterize the editorial staff of that paper commends that article to every Member on both sides of the aisle and in Congress, and particularly so, in debate on this bill.

Let me now quote from that article, the headline of which read: "One hundred Kane County farmers attend third S. O. S. feast."

For 50 cents each, here's what more than 100 farmers feasted upon at Geneva Hall last night.

Thick pork steaks, creamed potatoes, custard pie—

And mark me, Mr. Speaker, an Illinois farm custard pie is made with rich Illinois eggs and milk; and when I say eggs I do not mean imported dried or frozen Chinese eggs—

* * *, and pies were topped with a fluffy meringue made of American egg whites * * *, American, not Chinese, dried egg albumen, together with plenty of milk, with lots of cream content. Tasty American cheese, hot rolls, and butter.

This dinner—

Continues the article—

was one of a series of farmers' "S. O. S. dinners," "Serve Only Surplus," started by Kane County, Ill., farmers. The idea underlying the plan was to use up farm surpluses and to raise farm prices. The first dinner was attended by only 7 farmers and the second by 40.

Mr. A. H. Kirkland, temporary secretary of the S. O. S., hopes the surplus-foods-dinner idea will spread in chain form throughout the country. Each guest at a dinner is expected to invite six guests to the next one. At that rate, Mr. Kirkland says, more than 4,000,000 persons will be partaking of dinners of surplus foods throughout the Nation in a short time.

Mr. Speaker, the Kane County and the Illinois farmers, Mr. A. H. Kirkland, their secretary, and the Chicago Daily Tribune are to be congratulated upon their formulating, sponsoring, support, and publicizing of such a program and their pursuing of such a policy. If there is a real shortage of any necessary or strategic material or suitable substitute in our country, materials not native to our own mineral forests or agricultural resources, why cannot our farmers and our miners through the ordinary and the long-established channels of commerce, by and with the aid of the assistance of this Federal Government, mutually exchange these goods in a program of true reciprocity?

Webster defines "reciprocity" as being, "An equality of mutual benefits * * * to be yielded or enjoyed."

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Reciprocity in that sense does not, as under the present policy of the Roosevelt administration and the Hull trade program, imply increasing the importation of canned meats, beef, hogs, cattle, hams, bacon, shoulders, cheese, and corn into this country. It does not mean increased importation by the hundreds of millions of pounds of butter and lard substitutes while our own hog lard is a dreg on the market. Nor, Mr. Speaker, does it mean the importation of foreign products by the billions of pounds of corn-starch substitutes, with our own cribs full to overflowing.

The reciprocity program of trade as originally projected by the Republican Party did not and does not now imply a reduction in the tariff schedules on steel products such as were made under the Hull British colonial trade agreements, while the blast furnaces in the East Chicago steel district stood cold and idle and the workers in the Calumet district without gainful employment.

Certainly reciprocity in its true sense does not mean, as the records of the United States Department of Commerce so vividly disclose:

The tremendously increasing imports by the hundreds of thousands of tons of coal, coke, and briquettes from Great Britain, French Indochina, or from the United States to Soviet Russia.

Millions of tons of coal and coal products have been imported into the United States under the Roosevelt-Hull trade agreement program, while in the ghost villages and abandoned coal towns of Illinois our own Illinois miners are compelled to seek their sustenance on W. P. A. work projects; there to be ballyhooed and advertised under red, white, and blue banners as the recipients of Federal relief.

In discussing a problem similar to this very one which confronted our country in 1864, President Abraham Lincoln declared:

If America buys a ton of steel rails in England, America gets the steel rails, but England gets the \$90.

If, however—

Continued President Lincoln—

America buys that ton of steel rails in the United States, America gets the steel rails and America has the \$90.

There is, Mr. Speaker, a world of wisdom, sagacity, and plain common sense wrapped up in that little human story, told by that distinguished Republican President, which is wholly applicable to the problems confronting this House in its deliberation on this bill, H. R. 5191.

Let us defend American labor, industry, and agriculture in times of peace, and American farmers and industrial workers will defend our shores in times of war. [Applause.]

Mr. CRAWFORD. Will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to ask a question with reference to the provisions contained on page 3 of the bill, lines 1 to 3, where the following language appears:

To make purchases of such materials in accordance with specifications prepared by the Procurement Division of the Treasury Department and approved by the Secretary of War and the Secretary of the Navy, and to provide for the storage and maintenance, and, where necessary to prevent deterioration, for the rotation of such materials.

I would like to refer further to page 4, lines 9 to 13, to this effect:

The duties on these materials imported shall not be covered into the general fund of the Treasury, but shall be held and, as I understand, added to this \$100,000,000 in the form of a revolving fund.

Two questions are involved here. How will the Treasury Department dispose of these goods which are necessary to be rotated in order to prevent deterioration? Is it the plan of this bill to transfer them from one warehouse to another and thus prevent deterioration, or does this bill give authority to the Secretary of the Treasury to take these goods and put them on the market and dispose of them in order to prevent deterioration? Can the gentleman answer that question?

Mr. ALLEN of Illinois. I appreciate the questions of the able gentleman from Michigan. I am honored by his asking me these questions, because I know that no Member of Congress has a better understanding of or a greater desire to understand the various measures under consideration than the gentleman from Michigan. However I wish the gentleman would propound that question to a member of the Committee on Military Affairs who has attended the hearings on this bill.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman is making a very interesting speech. I wish to call attention to the essential harmony of two points he has made. First, the gentleman states that the American people want to keep out of foreign trouble. Second, the gentleman points to the importance of developing domestic industry. I would simply nail a point right in there, that the development of a domestic industry is the surest way for us to keep out of foreign trouble, because we need manganese in time of peace as well as in time of war. If we develop our domestic deposits, we can have the manganese we need for industry and will not be trying to bring it in over war-ridden seas.

Mr. ALLEN of Illinois. I thank the gentleman for his appropriate and convincing statement. He always contributes to a better understanding of the matters before us.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman will recall that a huge manganese plant that was built in the State of Arizona at tremendous cost was forced to close shortly after this administration negotiated its reciprocal-trade treaty with Brazil, from which we are now importing manganese.

I regret that under this program of purchasing we are not to buy more lead and zinc. Of course, we all know this country produces a sufficient supply of lead and zinc, but I wish to remind the gentleman that under the recent reciprocal trade agreement made with Canada many of our lead and zinc mines in this country, not only in my district but in the great tri-State area of Oklahoma, Kansas, and Missouri, have been forced to close, thus throwing many miners out of employment due to the importation of zinc produced by cheap labor abroad.

Mr. CASE of South Dakota. Will the gentleman permit me to add the observation that at the time this Arizona mine closed a company which had spent over \$400,000 in preparing to set up a plant on the South Dakota deposits was forced to abandon its work?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Kentucky.

Mr. MAY. I should like to answer the question propounded by the gentleman from Michigan [Mr. CRAWFORD]. I call the attention of the gentleman to the provisions of section 3 of the bill on the question of preventing deterioration and decay of the materials. A system of rotation is provided for in that section of the bill. The Secretary of War and the Secretary of the Navy may replace acquired stocks of any materials subject to deterioration by equivalent quantities of the same material by such methods as they may determine serves best the purposes of the act.

Mr. CRAWFORD. Mr. Speaker, if the gentleman will permit, that is the very point I desire to clear up, because what I want to know is whether the Secretary of the Treasury, with the approval of the Secretary of War, can proceed to dispose of these commodities on the open market in competition with the inventory holdings of those engaged in private industry.

Mr. ALLEN of Illinois. Mr. Speaker, I do not believe I can yield any further at this time because of the demand for time.

Perhaps that matter can be determined when we are considering the bill proper.

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, I yield 10 minutes to the distinguished chairman of our Rules Committee, the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, first let me congratulate my colleague the gentleman from Colorado [Mr. LEWIS] for so ably explaining the rule and the bill that is made in order under the rule. I hope we will have the gentleman here in the future to present many more of these bills. At the same time, I want to commend the gentleman from Pennsylvania [Mr. FADDIS] for his excellent work in drafting so fine a bill and for his interest generally in behalf of the people and their welfare. I listened to him with a great deal of pleasure and satisfaction when he recently appeared before the Rules Committee, and I may say to the House that there are very few men possessing his intelligence and the knowledge he has on this subject. I congratulate him upon his success in the matter. [Applause.]

I do not want to speak on the rule or the bill. I leave that in the capable charge of the chairman of the Committee on Military Affairs [Mr. MAY] and the other members of that committee. I desire only to make a few observations at this time in reply to my colleague from Illinois, the genial Mr. ALLEN, who serves with me on the Rules Committee.

Mr. Speaker, the President submitted a fine report to the House this morning on reorganization, in which he states the Nation will be saved at least \$20,000,000. Reliable information I have is to the effect it will save closer to \$35,000,000 annually.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I regret that I cannot yield now.

Mr. Speaker, in 1933, when I was privileged to serve as chairman of the steering committee, the great majority of new Democrat Members in the House made it difficult for them to take up individually with the President numerous matters and complaints with regard to the various departments. After a study of conditions, the steering committee proposed to the President that four or six appointees be designated as secretaries and that there evolve upon them the duty of acting as intermediaries and assistants with whom congressional problems could be taken up. It is therefore especially pleasing to me that the President saw fit to adopt our suggestions, and I am naturally glad to know that this will result not only in increased efficiency and better coordination but also in economy, as he states in his message. I feel that this bill will receive the endorsement and support even of those who so strongly opposed the reorganization bill as a whole.

Now, Mr. Speaker, some gentlemen always complain that we are spending too much money, particularly the gentleman from Pennsylvania [Mr. RICH]. Right here let me say that while I am not opposed to the rule, I want this bill to be considered, but I do want the country to understand that the President has not asked for nor recommended \$100,000,000. He feels that \$10,000,000 each year for 3 or 4 years would suffice, but the committee, which is independent of the President, feels they should recommend \$100,000,000. This is just another proof, incidentally, that the President is trying to hold down expenditures, but that the House is acting independently, and not as a rubber stamp, as has been so often charged. Still, it is only an authorization, and not an appropriation, and I hope that the Appropriations Committee will not appropriate more than the President suggested unless there are very good reasons for so doing. I also agree with my colleague from Illinois in saying that every dollar should be spent in this country, provided that we can obtain here the materials we need.

Mr. Speaker, as to war, I can assure my colleague from Illinois [Mr. ALLEN] that it is not the President who is trying to involve this country in war. The President is doing everything humanly possible to keep us out of war,

and some day in the near future every Member of this House and every honest American will recognize this fact and give him credit for his efforts. [Applause.]

I say it is most unfair for Republicans to jump at every chance they have to charge that he is trying to involve us in war, when by every step possible he seeks to prevent a war and to bring peace and happiness not only to the people of America, but to the people of the world. [Applause.]

My friends on the Republican side have tried to inject the tariff issue into this question. Perhaps my colleague from Illinois [Mr. ALLEN], who is chairman of the Republican Congressional Political Committee, can tell us what tariff law we had from 1929 up to 1933. Was it not the Republican Smoot-Hawley tariff which brought about such prosperity under Hoover from 1929 to 1933? I think my good friend would be wise not to inject the tariff question into this discussion, because it does not reflect too well upon his own party. However, just for his information, I would like to call his attention to a very excellent and clear article appearing in the New York Times under date of Sunday, April 16, 1939, Trade Pacts Prove Superior to Barter. It shows our gains by means of trade treaties have increased in the past few years by 39.8 percent, while Germany's gains total 1.8 percent for the same period.

As I have said, all I desire is to answer a few of these points my colleague has raised during his remarks. I am hopeful that when the bill is considered on the floor ample opportunity will be given to explain to the House why an authorization for the expenditure of \$100,000,000 is necessary at this time. I know that those in control of our military affairs can spend \$100,000,000. They can spend \$500,000,000 or even \$1,000,000,000, because they are adept at spending. And my experience is that they reach their zenith during the months of April, May, and June each year. Their hardest effort is to see how they can spend the money they inveigled Congress into appropriating each year. Just in passing, I want to say that I am not entirely satisfied with the way the War Department proceeds in purchasing supplies and materials. I do not blame Admiral Peoples, but I do think that some of his subordinates should be checked upon, and on those matters I am going to insist upon a report. Only a few days ago information came to me of certain firms being favored, and many reports are to the effect that profits in airplanes and motors are outrageously high. If necessary, I shall bring a resolution before this House to investigate these matters.

I think we should begin to scrutinize the appropriations and expenditures to these departments and to bring about the economy the President seeks and on which the Democratic Party insists. Let us show the country that we not only preach economy but practice it.

Mr. Speaker, I recall the days of 1917 and 1918. I know that we authorized the expenditure of money to produce in America some of these raw materials, and I know what failure to be prepared means. I also remember claims against the Government by some of the mining engineers and experts who were authorized to develop some of these materials and the promises they never fulfilled. Even now we have claims pending before the Committee on Claims amounting to hundreds of thousands of dollars, because it is claimed that the Government and military establishments authorized these people to undertake developments for which they now claim never to have been compensated. Therefore, I feel that we should be careful under this bill before new ventures are authorized, and I hope that those who have charge of the matter will be satisfied first that there are no gentlemen who will try to experiment at the expense of our country, but to whomever is given the work should first be found to be reliable and dependable, someone who can be trusted to produce the needed articles in our country. I am for the reemployment of American labor first, and any mineral that can be produced and manufactured should be made here. As I understand, Mr. FADDIS, that is the aim, that every effort will be made to produce

and finally to manufacture everything and anything that can be produced in this country. Is that not right?

Mr. FADDIS. That is correct.

Mr. SABATH. That would increase employment and bring about better conditions generally.

I think I have said just about all I wanted to talk to you about, and so I will conclude right here. [Applause.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, sometimes I get a little confused in this House over the difference between millions and billions. I understood the chairman of the Rules Committee to state that the reorganization might save \$20,000,000. I assume that he has forgotten about the expenditure of the other \$10,000,000,000.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. And it must be gratifying to the economy-minded Members to find that we may save \$20,000,000 through the reorganization bill and spend \$10,000,000,000 in some other way. That is a very fine way to economize.

Mr. SABATH. I have just been informed that the saving will be at least \$35,000,000. The President was not well-informed when he said \$20,000,000.

Mr. FISH. And now I understand the distinguished chairman of the Rules Committee to state that the President was not well informed. I agree with the gentleman from Illinois completely.

Mr. SABATH. As to the size of the sum that would be saved.

Mr. FISH. This is not the first time that he has been badly informed, and I rather believe that the reorganization will not save a single dollar when we get right down to rock bottom, because the President has never saved anything before this. He has a perfect record in this respect.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SABATH. In that respect permit me to say that the President is always careful and he rather underestimates than overestimates matters of that kind.

Mr. FISH. And all I can say to the gentleman is that I judge people by their past records, and as Al Smith often said, "Let us look at the record." For 6 years the President of the United States has come before the Congress annually and told how he proposed to balance the Budget, and each year we have had a deficit of from two to three billion dollars. I rather believe when he gets through with the reorganization that instead of saving \$20,000,000, we will have a deficit of \$20,000,000, but that is such a small sum under the New Deal that we need not worry about it.

Mr. SHORT. And is it not an undeniable fact each year our revenues have fallen pitifully below anticipation and our expenses have far exceeded their estimates.

Mr. FISH. By \$2,000,000,000 or more a year.

Mr. BOLAND. Mr. Speaker, will the gentleman yield to me?

Mr. FISH. Oh, I would love to.

Mr. BOLAND. Do I understand that the idea of the gentleman from New York is that the President should balance the Budget at the expense of starving people in the Nation?

Mr. FISH. No. I have generally voted myself for the one-third that are undernourished, underfed, and under-clothed under this administration, because it does not do anything to solve the problem, and we are forced to do something ourselves in Congress to try to feed them.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Missouri first.

Mr. BOLAND. Just 1 moment.

Mr. FISH. I shall come back to the gentleman in a moment. I yield to the gentleman from Missouri.

Mr. SHORT. The fact is that no single individual in this country ever starved, and all this relief and all this

pump-priming has done has been to perpetuate the poverty of the people while piling up a debt of billions.

Mr. FISH. That ought to be a complete answer.

Mr. BOLAND. The gentleman agreed to yield to me.

Mr. FISH. Yes.

Mr. BOLAND. Do I understand the gentleman to say that there were no starving people before Mr. Roosevelt came into office?

Mr. SHORT. No more than we have today.

Mr. BOLAND. Does the gentleman know there were bread lines in every large industrial center of this country?

Mr. SHORT. My God, we have got Government soup kitchens now everywhere.

Mr. BOLAND. There were 20,000,000 people in the bread lines.

Mr. SHORT. These new dealers are not philanthropists and they are not interested in feeding the hungry and clothing the naked as much as they are in turning it into a political racket to perpetuate themselves in power. You will find that out next year, as you did last.

Mr. FISH. Go right ahead. I like that kind of talk.

Mr. BOLAND. The gentleman is not so sure of that. I do not think the gentleman is that much of a prophet as to say that we will find that out next year. Next year you will find out something.

Mr. FISH. Now, what were we discussing a few moments ago? [Laughter.] I just want to find out what this bill is we were discussing and get back to it.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield, certainly.

Mr. KNUTSON. Next year we will be wondering what we are going to do with the mess you folks left us. [Laughter.]

Mr. FISH. Now, Mr. Speaker, we have before us a little bill. It involves only \$100,000,000—a paltry sum under the New Deal and in these days of war hysteria and fear and dread of war. I am not opposing the bill. I would like to reduce the amount in the bill because I believe it is excessive. When you consider a bill of this kind for acquiring stocks of strategic and critical war materials you almost think you are in the midst of war. You can almost hear the beating of the wings of the angel of death as she hovers over America. You are apt to believe we are about to let loose the dogs of war.

Mr. LEWIS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield, certainly.

Mr. LEWIS of Colorado. I recall with very great satisfaction a very splendid speech made by the gentleman from New York 4 or 5 years ago, urging investigation looking toward the ultimate acquisition of such strategic materials as, for example, tin. Certainly at that time there was no talk of war. The gentleman stimulated at that time the interest which I already had in this matter.

Mr. FISH. I am glad I converted the gentleman at that time and I am glad he is helping bring in this bill, because I am for the general principles of the legislation. I am going to give my reasons why I do not believe it should carry \$100,000,000 or \$50,000,000 or \$40,000,000, and possibly not more than \$10,000,000. I believe in acquiring this tin. I believe in acquiring rubber and the other necessary materials that we do not have; but I was wondering whether the gentleman from Colorado in the Southwest has ever heard about the war debts and whether he knows that those nations which own and have a monopoly on tin and rubber still owe us between four and five billion dollars.

Mr. LEWIS of Colorado. I am well aware of that fact. Indeed, the bill provides for an effort, at least, to secure these materials in part from the nations of the world that owe us, and in exchange to give them credit on their war debts.

Mr. FISH. I was just wondering why it was necessary to spend \$100,000,000 to acquire rubber and tin from Great Britain when Great Britain owes us between four and five

billion dollars, and why it could not be arranged to get a partial payment every year in rubber and tin, and if you want to throw in tea and other commodities that we do not produce, I would not oppose that either.

Mr. LEWIS of Colorado. I thoroughly approve of that plan. Indeed, it is provided for in the bill.

Mr. FISH. Yes. There was a little clause that was inserted here that even some members of the committee did not know existed. I want to bring out that I do not think it is necessary to carry this large appropriation. I want to discuss briefly the war-debt situation, and then you can ask all the questions you want.

Mr. LEWIS of Colorado. This is not an appropriation, I may say. This is an authorization bill.

Mr. FISH. Of course it is an authorization, but it will be a mandate of the Congress and expected to be followed later on by an appropriation.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. BARRY. The gentleman's theory, as far as our foreign policy is concerned, is that we mind our own business. If war broke out in Europe and Asia, we have enough foodstuffs to be self-sufficient, except for tea, cocoa, and such things, but we do not have enough critical war materials. If we acquire a sufficient amount of them to last for 5 years, could we not follow out the gentleman's theory of isolation and not even say "Hello" to Europe and Asia, and go along with an internal economy of our own?

Mr. FISH. I see the logic of the gentleman's statement; but as long as he raises that issue, I would say that I cannot conceive of any war that will cut off these raw materials mentioned in this bill, particularly tin or rubber, because we can get tin from Bolivia. I cannot conceive of any war that would interfere with our trade with Bolivia. As a matter of fact, spending these billions—not millions, but billions—of dollars to build a navy, it seems to me that we could get any of these raw materials from Holland or the Malay Peninsula, whether it is rubber or any other necessary raw material, as long as we have the largest navy we have ever had. I do not assume that this huge navy is to be sterilized like our gold in Kentucky and to be of no more use than the gold is.

I do not see, since we are spending billions of dollars to have a Navy, why we should not be able to secure these materials even in wartime, because no nation intends to attack us, and will not attack us as long as we have a powerful Navy. I am sure the gentleman agrees with this.

Mr. BARRY. It would be much safer, I am sure, if we did not have to go abroad to get anything. A recent survey showed that there are something like eight critical raw materials that we lack; and whether we have to go down to Bolivia or out to the Malay Peninsula, will not the gentleman admit that it would be much safer for the peace of this country and in keeping with his theories of isolation if we did not have to trade with anyone unless we wanted to?

Mr. FISH. My principles of isolation certainly do not go that far. I am in favor of trading with these nations. I am opposed to the cash-and-carry plan in the neutrality bill, and was opposed to it when the last bill came up. I would like to see it done away with. I believe it is an intolerable limitation and restraint upon our ships, that we cannot carry any goods to belligerent nations, but must let all the other ships of the world do so. I want our ships to trade out in the Far East, to buy rubber, tin, or anything else we need but to trade with belligerents at their own risk.

I am perfectly willing to go along with this war-scare bill to be on the safe side, as the gentleman says. I do not see that there is any necessity for it, for I believe we can go anywhere and get anything we want whether in time of peace or in time of war; but to be on the safe side and to make assurance doubly sure I will support the bill in principle. When it comes to spending any money, I think it is preposterous to buy rubber and tin, both of which come from the British Empire, as she has a monopoly on both,

without calling upon her to make partial payment of their war debts in tin and rubber. Certainly the gentleman does not object to that.

Mr. BARRY. I am in favor of that. If, however, the gentleman agrees with the principle of the bill, that we acquire critical war materials, certainly he is not going to object to the \$100,000,000 or take the position that \$100,000,000 is too much to provide these materials sufficient to last us for any reasonable length of time.

Mr. FISH. The reason I am opposed to spending the \$100,000,000 is simply because if we put the authorization for the \$100,000,000 in the bill, leaving it as it is now, the Navy Department, the War Department, or those who buy the strategic and critical war materials will forget the fact that Great Britain still owes us four or five billions of dollars. If we authorize an expenditure of \$10,000,000 each year, then the Navy Department, the War Department, or whatever the department may be that will procure these war materials, will think most earnestly about these debts that are due us and join in making demands for rubber and tin from Great Britain to be offset against her war debts.

I remember back in 1931 and 1932 when then President Herbert Hoover communicated with President-elect Franklin Delano Roosevelt asking him to cooperate to settle the war debts. Mr. Franklin D. Roosevelt, then Governor of New York State, wrote to President Hoover and said: "No. I propose to do that in my own way. That will be the first objective of my administration."

Under the Republican administration we received payment of about \$200,000,000 annually, but under this administration we have not received any money at all from these debtor nations, except from little, honest Finland. I ask why this is not the time to get something out of them in the way of partial payments through supplying rubber, tin, and other essential raw materials for war purposes that we do not produce in this country? [Applause.]

[Here the gavel fell.]

Mr. LEWIS of Colorado. Mr. Speaker, may I inquire how the time stands?

The SPEAKER pro tempore. The gentleman from Colorado has 8 minutes remaining. The gentleman from Illinois has used all his time.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 7½ minutes to the gentleman from Pennsylvania [Mr. FADDIS], the author of this bill.

Mr. FADDIS. Mr. Speaker, I congratulate the very distinguished member of the Committee on Rules [Mr. Lewis] for his exceptionally able presentation of the rule on this bill. Mr. Speaker, I ask that I be not interrupted until I have finished making my statement, because many and varied conflicting questions have already been injected into this debate, and it is my desire to present the essential features of this legislation in a clear and connected manner.

To begin with I want everyone to realize and to take into consideration the fact that this bill is a measure designed, first, to provide for our national security. This is the foremost thought in connection with the legislation, and has been ever since it has been under consideration by the Committee on Military Affairs. From the very first bill I introduced on this subject about 4 years ago—and as far as I know that was the first bill ever introduced upon this subject—every bill has contained the provision that this material should be acquired by exchange or credit on the war debts, or by exchange of surplus agricultural commodities. So this feature is not new by any manner of means.

I want it also distinctly understood, as the gentleman from Colorado attempted to make plain, that this bill is not the outgrowth of any war hysteria. It is the outgrowth of many years of work on the part of officers connected with the Army and the Navy—or, to be more explicit, the Assistant Secretary of War of the United States—to provide a program that would make this Nation self-sufficient to meet the needs of an emergency.

Anyone who attended the hearings on this bill and listened to the discussions in the committee would gain the idea that this is a bill for the acquisition of manganese alone, because the American Manganese Producers' Association appeared at these hearings and, with all of the power of a very unscrupulous lobby, attempted to prostitute the interests of national defense to the domestic production of manganese in the United States. All the way through the committee fought that attempt, and when the bill was written it was written without giving in to the demands of the American Manganese Producers' Association.

I know the pressure that has been exerted upon Members of the Congress who represent districts containing deposits of manganese. I know where this pressure has come from. It is not the first time, by any means, that this pressure has been exerted upon Members of Congress.

On last Wednesday, April 19, I inserted a letter from the president of the American Manganese Producers' Association, page 1542 of the Appendix of the CONGRESSIONAL RECORD. I answered this letter paragraph by paragraph. I would ask that each and every Member of the House secure the RECORD and read that letter before making up his mind with reference to certain amendments which may be introduced to this piece of legislation.

Do not take the judgment of those who are endeavoring to inject amendments into this legislation in order to make it a bonanza for unscrupulous promoters of mining enterprises throughout the United States. Take the judgment of the members of the committee; take the judgment of the members of the Army, the Navy, the State Department, the Geological Survey, the Bureau of Mines, and other bureaus connected with this Government who appeared in support of the present legislation in its present form.

If you will read the hearings held last year by the Senate Committee on Military Affairs you will find that not one single official connected with the Government, not one single man who is charged with the duty of procuring these materials, appeared before that committee who did not discount the possibility of making this Nation self-sufficient in regard to manganese or any other of these essential commodities through domestic production. If you will read the record of the committee hearings held by the Committee on Military Affairs of the House you will find that each and every official of this Government who appeared before the committee made the statement that from past experience they did not believe it was possible to procure enough manganese from domestic sources to make this country self-sufficient in that respect.

Mr. Speaker, no one is attempting to discourage domestic production. We, however, do not wish to see the acquisition of the materials under the terms of this legislation delayed in order to encourage these would-be promoters of domestic manganese mining ventures to the end that we shall have no manganese.

I wish to go back into the history of the World War. Under the high pressure of wartime prices were five times normal. At that time the American producers of manganese were able to produce only 35 percent of the manganese consumed at that time. As the chairman of the Committee on Rules stated, we are still engaged in litigation trying to settle some of the claims which resulted from the overextravagant promises of the promoters of that day in getting some of the people of this Nation entangled into enterprises to produce manganese.

Mr. KNUTSON. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Minnesota.

Mr. KNUTSON. As I recall, the Geological Survey reported that there are about 100,000,000 tons of manganese in this country and that manganese is found in 38 States of the Union.

Mr. FADDIS. One hundred million tons of manganese ore. No doubt. But that is manganese ore of a varying content of manganese and of a varying analysis. When we

speak of the manganese that we use, we refer to manganese ore with a content of 40 to 60 percent pure manganese and free from undesirable foreign contents.

Mr. KNUTSON. I concede that the American ore is not as high grade as some of the other ore, but I think it compares favorably with Russian manganese.

Mr. FADDIS. To answer the gentleman's question, I believe every one realizes the fact that there is a certain amount of manganese ore in the United States. One of the reasons for the reluctance of those who are charged with the duty of procuring this manganese is the fact they want this ore to remain here as a reserve. I am certain that the acquisition of these essential commodities can be safely left in the hands of those officers of the Army and Navy charged with this duty. They have a splendid record for honesty and efficiency built up through a century and a half of brilliant, patriotic, and unselfish service. [Applause.]

Mr. LEWIS of Colorado. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

Mr. KNUTSON. Mr. Speaker, this is a pretty important matter, and I think we should have a quorum, because I am not in favor of this myself.

The SPEAKER. The Chair will count.

Mr. KNUTSON. Mr. Speaker, I withdraw my point of no quorum.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5191) to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5191, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, it should first be understood that this bill does not arise out of the present international situation. The Committee on Military Affairs has for several years, certainly during the 3 years I have been a member of that committee, has been studying this identical question. The War Department has been studying the question continuously since the World War and whether you recall it or not, the last Congress in the naval appropriation bill appropriated \$3,500,000 for the purchase of strategic war materials. This money is now being expended for that purpose.

Mr. Chairman, this bill arises through a realization that our Nation will not be able to carry on a war successfully, or unsuccessfully for that matter, beyond a period of 6 months with the present supply of these materials that we now have on hand.

I consider and I believe the overwhelming majority of the committee consider that the passage of this bill and the acquisition of these materials are just as necessary as the building of battleships. The gentleman from New York a few moments ago said he did not understand why we needed this legislation, because we had such a fine navy. The reason for this legislation is that we not only want a great navy, a strong navy, but we want it employed in time of war in defense and not merely in keeping open the lines of com-

merce. I am sure that if you will study a map of the world, such as I have here, showing the location of supplies of the different strategic materials, you can easily see that a condition might arise where we would be cut off from the sources of supplies and the only way we could go there and buy the supplies would be with a naval convoy. It is easily possible that a third or a half of our fleet might be engaged in protecting our shipping lines and the ships that would transport these materials and, therefore, the strength and effectiveness of the Navy would be considerably reduced.

At this point I call your attention to a list of the materials which are covered by the pending measure. They are in three groups: First, the strictly strategic materials, of which there are 17 listed by the War Department. The most important of these 17 are chromium, manganese of ferrograde, tin, and tungsten. Second, there are the critical materials, materials which are necessary in time of war and must be stored up. Some of them are available in this country. The list includes 20 such materials. Third, there are the essential materials, and the list includes 35 such materials.

EXHIBIT A

ARMY AND NAVY MUNITIONS BOARD COMMODITIES DIVISION—DEFINITIONS AND LISTS OF ESSENTIAL COMMODITIES

DEFINITIONS

Strategic materials: Strategic materials are those materials essential to the national defense for the supply of which in war dependence must be placed in whole, or in part, on sources outside the continental limits of the United States, and for which strict conservation and distribution control measures will be necessary.

Critical materials: Critical materials are those materials essential to the national defense, the procurement problems of which in war, while difficult, are less serious than those of strategic materials because they can be either domestically produced or obtained in more adequate quantities or have a lesser degree of essentiality, and for which some degree of conservation and distribution control will be necessary.

Essential materials neither strategic nor critical: In this classification are included those materials, essential to the national defense, for which no procurement problems in war are anticipated, but whose status is such as to require constant surveillance because future developments may necessitate reclassification as strategic or critical.

List of strategic materials (17): Aluminum, antimony, chromium, coconut shell char, manganese ferrograde, manila fiber, mica, nickel, optical glass, quartz crystal, quicksilver, quinine, rubber, silk, tin, tungsten, and wool.

List of critical materials (20): Asbestos, cadmium, coffee, cork, cryolite, flaxseed, fluor spar, graphite, hides, iodine, kapok, nuxvomica, opium, phenol and picric acid, platinum, scientific glass, tanning materials, titanium, toluol, and vanadium.

Essential materials neither strategic nor critical (35): Arsenic, abrasives, acetic acid, acetone, alcohol (ethyl), camphor, castor oil, chlorine, copper, copra, cotton linters, helium, hemp, jute, iron and steel, lead, magnesium, methanol, molybdenum, nitrogen compounds (ammonia and nitric acid), palm oil, paper and pulp, petroleum, phosphates, potash, refractories, shellac, sisal, sugar, sulfuric acid (including sulfur and pyrites), uranium, webbing and duck, wheat, zinc, and zirconium.

Approved by the Army and Navy Munitions Board, January 7, 1939.

I wish to address my remarks particularly to section 6 of this bill, which provides, in part, as follows:

In the acquisition of stocks of materials, as herein authorized, the agency charged with the duty of acquiring the same shall, as to the materials acquired outside the United States—

(a) Request the appropriate department or departments to undertake the acquisition of the same from those nations which are indebted to the United States and which will consent to credit the agreed purchase price on the principal of such indebtedness.

I call your attention to the fact that numerous nations in the world are indebted to us on loans made during the war and loans made following the armistice, and on November 15 of last year this indebtedness amounted to a little in excess of \$13,000,000,000. At this point I insert in the Record a statement of the original debts and how they were funded, showing that at the time the debts were funded the foreign debt was in round figures \$11,586,000,000.

EXHIBIT B.—Statement showing principal and interest computed at the rates specified in debt agreements on indebtedness of foreign governments to the United States at time of funding, credit allowances, the cash payments on execution of agreements, and the total debt as funded

Country	Indebtedness at time of funding			Credit allowances and cash payments on execution of agreements		Funded debt
	Principal	Interest	Total	Applied on principal	Applied on interest	
Austria	\$24,055,708.92	\$559,176.08	\$24,614,885.00			\$24,614,885
Belgium	377,029,570.06	40,767,664.60	417,797,234.66		\$17,234.66	417,780,000
Czechoslovakia	91,879,671.03	25,978,742.91	117,858,413.94		2,858,413.94	115,000,000
Estonia	13,999,145.60	1,765,219.73	15,764,365.33	\$1,932,923.45	1,441.88	13,830,000
Finland	8,281,926.17	727,389.10	9,009,315.27		9,315.27	9,000,000
France	3,340,516,043.72	684,870,043.17	4,025,386,086.89	386,686.89		4,025,000,000
Great Britain	4,074,518,358.44	529,309,727.30	4,604,128,085.74		4,128,085.74	4,600,000,000
Greece	27,167,000.00	3,127,922.67	30,294,922.67	2,922.67		30,292,000
Hungary	1,685,835.61	253,917.43	1,939,753.04		753.04	1,939,000
Italy	1,647,869,197.96	394,330,268.38	2,042,199,466.34	199,466.34		2,042,000,000
Latvia	5,132,287.14	647,275.62	5,779,562.76		4,562.76	5,775,000
Lithuania	4,981,628.03	1,049,918.94	6,031,546.97		1,546.97	6,030,000
Poland	159,666,972.39	18,898,053.60	178,565,025.99		5,025.99	178,560,000
Rumania	36,116,972.44	8,477,479.10	44,594,451.54	4,451.54		44,590,000
Yugoslavia	51,037,886.39	11,819,226.00	62,857,112.39	7,112.39		62,850,000
Total	9,864,238,203.90	1,722,582,624.63	11,586,820,828.53	2,533,563.28	7,026,380.25	11,577,260,885
Cash received upon execution of agreements	600,639.83	4,167,966.31	4,768,606.14			
Credit allowances	\$1,932,923.45	\$2,858,413.94	4,791,337.39			
Total	2,533,563.28	7,026,380.25	9,559,943.53			
Amount funded	9,861,704,640.62	1,715,556,244.38	11,577,260,885.00			

¹ Amount of interest written off in compromise settlement with Czechoslovakia referred to on p. 15.

² Allowance for total loss of cargo of S. S. *John Russ* sunk by a mine in Baltic Sea (see p. 19).

³ Includes 4 percent 20-year loan of \$12,167,000 authorized by act of Feb. 14, 1929.

I also insert in the RECORD a statement of the total payments made on foreign debts up to January 31, 1938, showing total payments, in round figures, of \$2,748,000,000.

EXHIBIT C.—Total payments received on account of indebtedness of foreign governments to the United States as of Jan. 31, 1938

Country	Total payments received	On funded debts		On debts prior to funding ¹	
		Principal	Interest	Principal	Interest
Austria	\$862,668.00	\$862,668.00			
Belgium	52,191,273.24	17,100,000.00	\$14,490,000.00	\$2,057,630.37	\$18,543,642.87
Cuba	12,286,751.58			10,000,000.00	2,286,751.58
Czechoslovakia	20,134,092.26	19,829,914.17			304,178.09
Estonia	1,248,432.07		1,246,990.19		1,441.88
Finland	5,101,034.77	801,510.02	3,990,209.48		309,315.27
France	486,075,891.00	161,350,000.00	38,650,000.00	64,689,588.18	221,386,302.82
Great Britain	2,024,848,817.09	232,000,000.00	1,232,770,518.42	202,181,641.56	357,896,657.11
Greece	3,778,384.01	981,000.00	1,635,308.00	2,922.67	1,159,153.34
Hungary	478,294.48	73,995.50	403,545.94		753.04
Italy	100,829,880.16	37,100,000.00	5,766,708.26	364,319.28	57,598,852.62
Latvia	761,549.07	9,200.00	621,520.12		130,828.95
Lithuania	36,471.56			26,000.00	10,471.56
Lithuania	1,237,956.58	234,783.00	1,001,626.61		1,546.97
Nicaragua	168,575.84			141,950.36	26,625.48
Poland	22,646,297.55	1,287,297.37	19,310,775.90		2,048,224.28
Rumania	4,791,007.22	2,700,000.00	29,061.46	1,798,632.02	263,313.74
Russia	8,750,311.88				8,750,311.88
Yugoslavia	2,588,771.69	1,225,000.00		727,712.55	636,059.14
Total	2,748,816,460.05	475,555,368.06	1,319,916,264.38	281,990,396.99	671,354,430.62

¹ Includes cash received upon execution of debt-funding agreements amounting to \$4,768,606.14, of which amount \$600,639.83 was applied on principal and \$4,167,966.31 on interest (See p. 16.)

I also insert a statement of the total debts as of November 15, 1938, the total, in round figures, being \$13,011,000,000.

EXHIBIT D.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of Nov. 15, 1938

	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account ¹	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia	\$23,205,108.24						\$11,959,917.49	\$11,245,190.75		
Belgium	444,835,943.91	\$52,191,273.24	\$400,680,000.00	\$44,155,943.91	\$17,100,000.00	\$14,490,000.00		\$2,057,630.37	\$18,543,642.87	
Cuba		12,286,751.58						10,000,000.00	2,286,751.58	
Czechoslovakia	2165,696,936.80	20,134,092.26	165,241,108.90	455,827.90	19,829,914.17				304,178.09	
Estonia	20,443,880.32	1,248,432.07	16,496,012.87	3,977,867.45		1,246,990.19			1,441.88	
Finland	8,335,440.92	5,262,970.27	8,195,841.19	139,599.73	804,158.81	4,149,496.19			309,315.27	
France	4,141,020,821.51	486,075,891.00	3,863,650,000.00	277,370,821.51	161,350,000.00	38,650,000.00		64,689,588.18	221,386,302.82	
Germany (Austrian indebtedness)	23,005,480.99	862,668.00	25,980,480.66	25,000.33	862,668.00					
Great Britain	5,341,707,369.96	2,024,848,817.09	4,368,000,000.00	973,707,369.96	232,000,000.00	1,232,770,518.42		202,181,641.56	357,896,657.11	
Greece	34,066,508.20	4,039,888.01	31,516,000.00	2,550,508.20	981,000.00	1,896,812.00		2,922.67	1,159,153.34	
Hungary	2,340,511.32	488,122.64	1,908,560.00	431,951.32	73,995.50	413,374.10			753.04	

See footnotes at end of table.

EXHIBIT D.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of Nov. 15, 1938—Continued

	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Italy	\$2,021,340,404.05	\$100,829,880.16	\$2,004,900,000.00	\$16,440,404.05	\$37,100,000.00	\$5,766,708.26			\$364,319.28	\$57,598,852.62
Latvia	8,423,708.06	761,549.07	6,879,464.20	1,544,243.86	9,200.00	621,520.12				130,828.95
Liberia		36,471.56							26,000.00	10,471.56
Lithuania	7,540,167.50	1,237,956.38	6,197,682.00	1,342,485.50	234,783.00	1,001,626.61				1,546.97
Nicaragua		168,575.84							141,950.36	26,625.48
Poland	255,838,294.41	22,646,297.55	206,657,000.00	49,781,294.41	1,287,297.37	19,310,775.90				2,048,224.28
Rumania	63,982,114.54	4,791,007.22	63,800,500.43	121,554.11	2,700,000.00	29,061.46			1,798,632.02	253,313.74
Russia	385,362,027.59	8,750,311.88					\$192,601,297.37	\$192,760,730.22		8,750,311.88
Yugoslavia	61,702,031.26	2,588,771.69	61,625,000.00	77,031.26	1,225,000.00				727,712.55	636,059.14
Total	13,011,846,749.58	2,749,249,727.71	11,231,157,710.25	\$1,372,121,903.50	475,558,016.85	1,320,346,883.25	204,561,214.86	204,005,920.97	281,990,396.99	671,354,430.62

¹ Payments of governments which have funded were made prior to the date of the funding agreements.

² Differences between principal of funded indebtedness and amounts here stated represent deferred payments provided for in the funding agreements, for which bonds of the respective debtor governments have been or will be delivered to the Treasury.

³ Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor governments.

⁴ The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

⁵ Includes additional bonds aggregating \$3,489,882.75 received July 23, 1937, in exchange for bonds aggregating \$1,207,742 and annuities aggregating \$69,534.46, payable on Jan. 1, 1933, 1934, and 1935, but postponed as provided by agreements of May 8, 1930, and Sept. 14, 1932.

⁶ The United States holds obligations in the principal amount of \$289,898.78, which, together with accrued interest thereon, are to be canceled pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the U. S. Senate on June 13, 1938.

⁷ Represents proceeds of liquidation of financial affairs of the Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country appear in the Annual Report of the Secretary of the Treasury for 1922, as exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission, as exhibit 2, p. 84.)

⁸ Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931. (For amounts postponed, see p. 35 of Annual Report of the Secretary of the Treasury for 1932.)

Fourth. I insert a statement showing the amount of the debt of the German Nation to the United States at this time, which, of course, arose from the expense of our army of occupation and from findings of the Joint Claims Commission.

EXHIBIT E.—Indebtedness of Germany to the United States, Jan. 31, 1938

AMOUNTS NOT PAID ACCORDING TO CONTRACT TERMS, JAN. 31, 1938

[In reichsmarks]

	Indebtedness as funded	Total indebtedness as of Jan. 31, 1938	Principal	Interest accrued and unpaid ¹
Army costs	1,048,100,000	1,010,352,175.64	997,500,000	12,852,175.64
Mixed claims	2,121,600,000	2,074,170,000.00	2,040,000,000	34,170,000.00
Total	3,169,700,000	3,084,522,175.64	3,037,500,000	47,022,175.64

	Total payments received as of Jan. 31, 1938	Payments received	
		Payments of principal	Payments of interest
Army costs (reichsmarks)	51,456,406.25	50,600,000.00	856,406.25
Mixed claims (reichsmarks)	87,210,000.00	81,600,000.00	5,610,000.00
Total (reichsmarks)	138,666,406.25	132,200,000.00	6,466,406.25
Amounts received (in dollars)	33,587,809.69	31,539,595.84	2,048,213.85

AMOUNT OF INDEBTEDNESS

[In reichsmarks]

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Sept. 30, 1933		2,498,562.50	1,529,049.45	4,027,611.95
Mar. 31, 1934	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934	20,460,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Mar. 31, 1937	29,700,000	7,248,500.00	1,529,049.45	38,477,549.45
Sept. 30, 1937	28,600,000	7,927,062.50	1,529,049.45	38,056,111.95
Total	373,100,000	43,738,187.50	13,761,445.05	430,599,632.55

¹ Includes interest accrued under unpaid moratorium agreement annuities.

² Includes 4,027,611.95 reichsmarks deposited by German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

If you will turn to page 100 of the hearings you will observe that this question was gone into at some length with Dr. Feis, who is the economic adviser of the Department of State. Frankly, neither Dr. Feis nor I have any great hopes that any considerable amount of this material will be secured through giving credits on the debts, but I do say that, in view of the condition of our national debt, which is now over \$40,000,000,000, and considering the present tax burden of the American people, when a majority of the nations of the earth owe us in excess of \$13,000,000,000, it ill becomes the Congress to seek to appropriate an additional \$100,000,000 without at least making an honest effort to try to secure these materials from the nations which will credit the purchase price on their debt. [Applause.]

You will observe the bill states that the purchase price of the materials shall be credited on the principal of the debt. The word "principal" was used advisedly, on the advice of the State Department, whose representatives said there was no hope of getting any nation to send us these materials if credit was given merely on the interest on the war debts; that the nations already owed us so much interest that this amount would be merely a drop in the bucket. They were sure they would not be able to interest any nation in a credit merely on interest. Therefore, the bill provides that if the debtor nations wish to pay their debts we will credit the purchase price of the materials on the principal.

The other provision of section 6, in which I am very deeply interested personally, provides that in the acquisition of stocks of the materials in question the agency charged with the duty of acquiring them shall—

Further request the appropriate department or departments to undertake the acquisition of the same from those nations which consent to exchange such materials for surplus agricultural commodities produced in the United States.

This provision, I submit, is founded upon an old and fundamental principle, that if your cellar is full of apples and you need some potatoes, if you are wise you will take some apples out and exchange them for potatoes.

As every Member of this House knows, this Nation is now burdened with surpluses of wheat and cotton. The most recent report of the Department of Agriculture, which I have before me, indicates that on July 1 the wheat surplus will be approximately 275,000,000 bushels. On March 1, last, the surplus of cotton was approximately 16,750,000 bales, and we are now planting another crop estimated to produce 12,000,000

bales of cotton. On August 1, when we are ready to pick another crop of cotton, counting the cotton on hand and that in the field, we shall have at least 25,000,000 or 26,000,000 bales of American cotton on hand.

This matter was investigated by the committee back in February. Since then you have observed activities on the part of the Senate, and some Senators in particular, and activities on the part of the Department of Agriculture and the Department of State. I am delighted to observe the activities of the Ambassador to Great Britain, Mr. Kennedy, who now gives us some hope that it will be possible to send an enormous amount of cotton to Great Britain in exchange for tin and rubber for war stock purposes.

The Commodity Credit Corporation has loans on more than 11,000,000 bales of cotton, which loans total over \$600,000,000.

I submit that it would be unfair to the American people, that it would be unfair to the taxpayers of this Nation for us to undertake to appropriate an additional \$100,000,000 out of the United States Treasury without making an honest effort—and I hope and believe a successful effort—to take these enormous surpluses which we now have on hand, to take this enormous surplus of cotton in which our Government now has an investment of over \$600,000,000, and use a reasonable amount of it in exchange for the materials which this Nation will so sorely need in time of war.

I hope that this section of the bill may receive the unanimous approval of the Congress. There are some who may say that it is no more than a gesture, but for my part, considering the national debt, considering the burden of taxes, we can at least say of it that it is a magnificent gesture. [Applause.]

Mr. CASE of South Dakota and Mr. CRAWFORD rose.

Mr. PACE. May I say before I yield for a question that it should be borne in mind that the crediting on the war debts and the exchange for surplus agricultural commodities applies only to the materials which are bought from foreign sources and in no way will interfere with the domestic production of any of the materials which are available in this country.

I now yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I just want to say that I feel the gentleman who is now speaking is entitled to some of the credit that may have been given to others. I do not want to detract from the credit that has been given to one of the Senators, although I think the gentleman who is now speaking is deserving of much of the credit for bringing forth the desirability of this suggestion.

Mr. PACE. I appreciate that gracious compliment, but I want to say that at this hour, in view of the condition of the American farmer, I am not looking for credit, but looking for a chance to dispose of some of these surpluses, so that those boys may get back on their feet. [Applause.]

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. SHORT. The gentleman from Georgia, who is a very valuable member of our committee, and who has made such an excellent speech, does deserve this credit, and as one of the minority members of our committee, I want to pay him a tribute. I was particularly interested in his discussion of the war debt, and in view of the fact we did fight in the World War and saved the scalps of certain allies, and in view of the fact we spent our treasure and spilt our blood over there, and then after the war was over we shipped them commodities to keep them from starving, and extended them loans that ran into the hundreds of millions and even billions of dollars, does not the gentleman think it ill behooves any American even to contemplate forming an alliance with those people who have shown their gratitude and appreciation by pointing at us a finger of scorn and calling us Shylocks when we try to collect? [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PACE. I may add, in conclusion, that there is one provoking thing about these war debts. When I observe

the warlike activities of the head of the Government in Italy, when I consider the treatment he recently accorded a message of the President of the United States, and I look to this list and see that at this hour Italy owes this Nation in excess of \$2,000,000,000 of honest American money, it provokes one almost beyond the limit of patience.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. CRAWFORD. I desire to ask the gentleman this question with reference to subsection (b) of section 6: Assuming that we trade cotton, under the present barter plan, in the purchase of these war materials, will it be necessary under this provision for us to subsidize the price of cotton and pay the full price for the material we receive in exchange?

Mr. PACE. It will not. The plan contemplates that there would be an agreed price on cotton, there would be an agreed price on the war materials that we were buying, that they would be exchanged and the exchange would be made on a war basis—that is, the exchange is for defense. Great Britain, for instance, would take our cotton and store it until time of need, in case of war, and we will take their materials and store them and not put them into commercial channels, except for replacements or to avoid depreciation, until they are needed in time of war.

There will be no subsidy necessary. It would save the Nation under the present contemplated subsidy from \$50,000,000 to \$150,000,000.

Mr. CRAWFORD. Do I understand the gentleman to mean exactly what he said, to the effect that we will take their material, or do we purchase that material outright, by exchange?

Mr. PACE. It is a question of barter and exchange. We exchange so much cotton for so many thousand tons of manganese, for instance.

Mr. CRAWFORD. But the title is placed in us after the trade is made?

Mr. PACE. Unquestionably, but under an agreement that it will not be put into commercial channels except for the purpose of rotation and renewal.

Mr. CRAWFORD. Referring now to section 3 about which I inquired awhile ago, wherein the Secretary of the Treasury is authorized to replace acquired stocks of any materials subject to deterioration, and so forth, by such method as he may deem serves the purpose of the act, do I understand now that the gentleman states as a matter of fact that this material will not be thrown into channels of commerce in competition with private industry?

Mr. PACE. Yes. If the gentleman will look to the hearings he will see that the witnesses went into that at considerable length, and he will notice that to accomplish such rotation, the only use that will be made of these materials, which will be put into a stock pile and stored away, will be to dispose of such of the materials as rapidly depreciate, and then, for instance, if it is manganese, and I do not know how fast it depreciates, but slowly, we can take some of the stock material and swap it with the Steel Corporation for recently acquired materials under regulations set up as provided in the bill.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PACE. Yes.

Mr. LUTHER A. JOHNSON. What amount of cotton is contemplated might be used in this exchange?

Mr. PACE. There is no provision about that. As the President has said, or has been reported in the newspapers, as far as cash money is concerned he could not approve over \$10,000,000 for next year, but we are hoping that we will immediately purchase ten million worth of materials in cash and that during the year we will be able to negotiate with these nations that have this material or that owe us money and secure the remainder of the \$100,000,000 worth of materials through exchange or credit on debts.

Mr. LUTHER A. JOHNSON. What I wondered is whether anything is in contemplation about the amount of cotton that will be taken.

Mr. PACE. Of course it will be limited to the \$100,000,000 worth.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PACE. Yes.

Mr. SHORT. The gentleman a moment ago stated that Italy owed us over \$2,000,000,000. I am sure the gentleman has some other figures there on the desk. Can he tell us just how much France owes us today?

Mr. PACE. France owed us on November 15, \$4,141,000,000.

Mr. SHORT. Almost twice as much as Italy. How much does Great Britain owe us?

Mr. PACE. Five billion three hundred and forty-one million dollars.

Mr. SHORT. My purpose in asking the gentleman these questions is not to refer particularly to Italy, but simply to point out that all of the countries of Europe have defaulted, and not simply to single out a totalitarian state.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. ANDREWS. Mr. Chairman, I yield myself such time as I may require.

I shall bring the Committee now to the point of view held by the minority at the time this bill was reported to the House. As a result of lengthy hearings and the appearance before the committee of a considerable number of Members of the House interested particularly in that feature having to do with domestic production, the minority, prior to the time the bill was reported, offered an amendment which was rejected in the committee, as follows:

Purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933, and not less than 20 percent of the total amount allotted for the purchase of any given material in any year shall be used for the purchase of domestically produced materials from domestic ores, if offered. Bidders offering such domestic materials shall not be required to supply an advance performance bond, but their materials must meet the specifications called for and shall not be purchased at a premium exceeding the 25 percent authorized in the Buy American Act.

Certain materials referred to in this bill are now available to a certain extent in this country or may become available through further research and development. We thought an amendment of that type or some similar amendment would perfect this bill from the standpoint of protecting and encouraging American industry. I might point out to the Committee that a bill in the Senate which is a companion bill, one might say, to the Faddis bill, and which the Senate passed recently, included some such provision as I have outlined, which was incorporated in the minority views.

With the permission of the Committee I will read that section of the so-called Thomas bill in the Senate, referring to this question. It is section 5 of that bill:

Purchases under this act shall be made in accordance with title III of the act of March 3, 1933, but a reasonable time, not to exceed 1 year, shall be allowed for production and delivery from domestic sources, and in the case of any such material available in the United States, but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may, if they find that the production of such material is economically feasible, direct the purchase of such material without requiring the vendor to give bond.

Since the passage of the Thomas bill in the Senate and the report, by the House committee, of the Faddis bill, as I understand it, a majority of those interested, particularly in their own congressional districts, both of the majority and the minority, a number of them not members of the Military Affairs Committee, have agreed on an amendment in this connection substantially as follows: It would appear on page 4, line 16, of the bill:

Strike out the period and insert: "And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), and a reasonable time, in the judgment of the Secretary of War and the Secretary of the Navy, shall be allowed for the production and delivery from domestic sources."

In an effort to save time this afternoon I should like to ask the chairman of the committee or the author of the bill, Mr. Faddis, whether they might consider the acceptance of this amendment just as I have read it? It is an amendment which has been agreed upon by the gentleman from Nevada [Mr. SCRUGHAM] and the gentleman from South Dakota [Mr. CASE] and other Members greatly interested.

Mr. MAY. As far as I am concerned, the part of the amendment suggested by the gentleman from New York [Mr. ANDREWS] which provides for the enforcement of the provisions of the Buy American Act will be satisfactory, and we have an amendment already drawn to that effect, as far as that is concerned; but I would just like to call the gentleman's attention to the further provision in his amendment which provides that—

Not less than 20 percent of the total amount allotted for the purchase of any given material in any year shall be used for the purchase of domestically produced materials.

I just had an analysis made of that suggestion the other day by a gentleman who claimed to be a producer of manganese, and he said this—and I agree with him—that under the gentleman's amendment, if only 20 percent was allowed for domestic purposes, one large producer might get the whole contract, and other producers, who might develop mines in other sections of the country and thereby bring about a general development in all States, would be defeated. To that extent I would object to the gentleman's amendment, but I readily agree with the Buy American provision.

Mr. ANDREWS. I believe the gentleman misunderstood me. While that was the original amendment, since then we have agreed on the amendment which I read, which is as follows:

And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), and a reasonable time, in the judgment of the Secretary of War and the Secretary of the Navy, shall be allowed for the production and delivery from domestic sources.

It is that amendment which I am asking the chairman of the committee whether he will accept?

Mr. MAY. If the gentleman will submit a copy of the amendment, I will be glad to consider it with a view to agreeing to it if we can do so. I have no disposition to be contrary about it.

Mr. ANDREWS. I thank the gentleman.

Mr. Chairman, I would like to point out one thing more about the bill from the standpoint of the minority Members. The original bill, as written by the gentleman from Pennsylvania [Mr. FADDIS] provided for the sum of \$100,000,000 out of any money in the Treasury. I might call attention to the fact that the President, in a statement publicly made and otherwise, has made it known that he does not favor an appropriation of more than \$10,000,000. I doubt if there is any Member of the minority who has been in the habit, at the present time, at least, of jumping ahead of the President on the expenditure of funds. I might call attention further to the fact that the Senate bill, which originally provided for \$100,000,000, by amendment in the Senate was cut to \$10,000,000. Certainly with the viewpoint of the President known, his expression having been received, it seems to me that the limit should be reduced from \$100,000,000 to \$40,000,000, or not more than \$10,000,000 in any one year; and we intend to offer an amendment to that effect.

Mr. Chairman, I yield back the balance of my time.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. SMITH].

Mr. SMITH of Connecticut. Mr. Chairman, first I want to compliment the gentleman from Pennsylvania [Mr. FADDIS] for the work he has done during the last 5 years on this subject. Most of you will recall the bill which was passed in the previous Congress, of which the gentleman from Pennsylvania was the author, which limited the exporting of scrap tin, in order to conserve one of our resources. The subject is one in which the gentleman from Pennsylvania has been very much interested and upon which he has done a great deal of work in conjunction not only

with the men from the Army and the Bureau of Mines but the National Resources Committee and others who have studied this subject. His work with that of the gentleman from Georgia [Mr. PACE] as to the use of agricultural surplus commodities has been outstanding in this session.

We have heard very little, it seems to me, against the desirability of this legislation. We need these materials which we cannot produce in sufficient quantity in this country. We have little argument today on the floor against the necessity for some such legislation.

The gentleman from New York [Mr. ANDREWS] has mentioned the amount of the authorization. The four most essential materials included in this bill, namely, manganese, tungsten, chrome, and tin, would require about \$100,000,000 to build up a sufficient supply to give us a year's reserve for the normal peace-time needs of this country. This, roughly, is the basis of the authorization. We expect to authorize somewhat less than a full year's supply of these various commodities. Some of them can be produced in this country to some extent; but as to 11 of them, the War Department, the Bureau of Mines, and the Geological Survey feel that they should be placed in a category by themselves.

We would need somewhat more than \$100,000,000 to furnish a sufficient stock pile of all these materials. We had hoped to make a real start on a material stock pile with whatever appropriation we authorized in this bill. I think we should not set the authorization at less than the \$100,000,000. The amount of money which will be made available is another question and must be taken up with the Committee on Appropriations in conjunction with the question of how much of these materials we can get by swapping surplus agricultural commodities, and, if possible, by credit on the war debts. It seems that we may acquire some by swapping surplus agricultural commodities. The State Department has gone into the question pretty thoroughly, and while some of those who have testified do not think specific authorization is needed, there is, nevertheless, a question in the minds of some of us about this need. I believe we shall be on the safe side if we give this authorization, retaining the limit of \$100,000,000 set in this bill, for then there can be no question as to the power of the State Department in conjunction with these other departments to use agricultural commodities for the acquisition of the minerals we need without having to negotiate and have ratified a treaty. It is probable that if they succeed in making an agreement with the British they will bring in some treaty, but if we pass this authorization, we shall have an authorization within the limits set by this bill to use agricultural commodities without the need of further action by treaty. I think we can safely do that, and I think and I believe it is one reason we should keep the authorization at the full amount set in the bill even though we do not this year appropriate the full amount that we authorize.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mrs. ROGERS of Massachusetts. Has it occurred to the gentleman that it would be an excellent plan if we could exchange manufactured products, such as cotton and woolen clothing, boots and shoes, in exchange for raw materials?

Mr. SMITH of Connecticut. Then we would be getting into a system of barter. As to the agricultural commodities the set-up is different, for the Government today is in possession of large quantities of surplus agricultural commodities that it has acquired in conjunction with farm programs. It offers a chance to take them out of the world market, to set them aside as military reserves, and to keep them from hanging as a threat over the market. I believe this is desirable; but as for getting into a system of barter, I do believe it would not be desirable to place such a provision in this bill.

Mrs. ROGERS of Massachusetts. It would afford a great deal of employment, and we have millions unemployed.

Mr. SMITH of Connecticut. We need these raw materials now primarily as a reserve, and the principal object of this bill is to acquire them, if we can, by the exchange of agricul-

tural commodities without defeating the purpose of the bill. I favor this, but to go beyond the exchange of raw materials would make a very complicated problem.

One item about which there has been a great deal of controversy is manganese. I think argument over this controversy has held up such legislation as this for some years. The lobby of the Manganese Producers' Association has been very active not only in this Congress but in prior Congresses insisting that we should provide for the acquisition of domestic manganese. Your committee wants to help domestic producers. It would be far more desirable, of course, if we could develop a domestic source of supply sufficiently large that we could depend upon it in time of war rather than having to acquire manganese abroad.

There is no question about that. We have held hearings for many years on this subject but to the present we have had no testimony on which we could depend as to the ability of domestic manganese producers to turn out a sufficient quantity of the proper grade of manganese to supply the needs of our steel industry in wartime. Reading the hearings you will see that last year in an attempt to get the latest and the best unbiased evidence on this question \$100,000 of W. P. A. funds was used for a survey by the Bureau of Mines of the domestic manganese industry. Their latest report, which came since the hearings closed, is incorporated in the printed hearings and will be found at page 212. It is an unbiased report and covers all these materials. The report is signed by John Wellington Finch, the Director of the Bureau of Mines.

The Bureau of Mines and other Government agencies believe that even though we encourage the domestic manganese industry we could not in any sufficient time set up an industry to take care of our war needs for manganese. Could this be done the War Department would prefer it, but we have no evidence that we can do it. It is true that promoters have come before the committee claiming various things. Producers have come before the committee and told us that the Buy American Act which is tied into the bill would enable them to do it. It was necessary to put a specific provision in the bill—and it is in the bill now—to make the tariff apply. Given this 50-percent tariff protection and the additional 25-percent advantage of the Buy American Act, one of our producers states that we can produce it domestically.

Mr. Chairman, one domestic producer says that is sufficient to protect him, that he can expand, but he does not claim he can produce the major part of our yearly needs.

We have done another thing in this bill to try to promote the domestic production of these various articles. We have provided a yearly appropriation of \$500,000 for the Bureau of Mines and the Geological Survey for investigation to discover deposits, to analyze them, and to figure out new methods of using them in order to get them into production to meet our deficiencies, which we all know exist.

That is an advantage which has not existed heretofore. It is more than has ever been done for the manganese producers by their lobby in all the years it has been operating here. It is an effort by the committee to encourage domestic production.

Mr. KNUTSON. Will the gentleman yield?

Mr. SMITH of Connecticut. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The distinguished gentleman from Connecticut is undoubtedly aware of the fact that the domestic industry was given a tariff protection of 1 cent per pound?

Mr. SMITH of Connecticut. At one time; yes.

Mr. KNUTSON. Or \$20 a ton. This, as I recall, was reduced to \$10 a ton in the Brazilian treaty.

Mr. SMITH of Connecticut. Yes; but under neither situation has the domestic industry been able to produce 10 percent of our domestic needs.

Mr. KNUTSON. Simply because we cannot expect the American industry to compete with India, Brazil, and the other places where they have peon labor. If you could persuade the American miner to accept Brazilian and Indian wages, we could compete with the world in the production of manganese.

Mr. SMITH of Connecticut. That argument has been made, but the Bureau of Mines does not in its report agree that the domestic industry can be developed under tariff protection alone.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, it is my purpose to speak in behalf of the minority report of the Committee on Military Affairs, as set out in Report No. 283, part II, and which urges consideration by Congress of a plan to encourage domestic producers to build up the domestic production of strategic materials. The minority report suggests that purchases under this act shall be made in accordance with the Buy American Act of March 30, 1933.

It is my view that Congress should, to this very reasonable extent, start active encouragement that may lead to further research and development which may lead to a greater degree of independence of our Government in the matter of securing these strategic materials. My interest in speaking to you at this time is purely in the interest of national defense.

Throughout our hearings on this important measure I was impressed with the importance of acquiring a stock pile of the four materials—manganese, chrome, tungsten, and tin—that are described in greatest detail in the committee report, No. 283. You will note that the committee makes the statement that these materials are either entirely lacking in this country or are produced in very limited quantities, incapable of marked expansion, and that supplies must be imported over long ocean routes.

The Legislative Reference Service has very kindly prepared the production and export figures for chrome, manganese, tin, and tungsten in all the countries listed in the committee report as the principal sources of these strategic materials for each year from 1909 to 1937, inclusive. I am sorry I did not get these tables in time to include them in the hearings.

They have also prepared a table setting out the production and foreign-trade figures of the United States for chrome ore, manganese, tin, and tungsten for the same years, 1909–37, inclusive.

These tables reveal the influence of the stress of the World War period and its stimulation of domestic production of chrome ore, manganese, and tungsten. Even under the stress of World War demand, our domestic production of tin was relatively negligible.

Following the World War, the domestic production of even chrome and manganese very rapidly declined and today our domestic production of them amounts to only a small fraction of our total needs. In the case of tungsten the domestic production also declined rapidly following the World War, but it has shown considerable increase within the past few years.

For the last 5 years, for which total figures are available, 1933–37, inclusive, our total imports of chrome ore were approximately 1,446,000 long tons; and our domestic production was approximately 4,200 long tons, or about one-third of 1 percent of the total. Our imports of manganese ore, not including manganiferous ores, were approximately 1,400,000 long tons, while our domestic production for that period was approximately 144,000 long tons, or about 10 percent of the total. Our production of manganiferous ores is much more encouraging by way of comparison than manganese, as revealed in these tables. Our imports of tungsten for that period were approximately 7,000 short tons, and our domestic production was approximately 11,000 short tons, or about 60 percent of the total.

During the 5 years, 1914–18, inclusive, our imports of chrome ore were approximately 425,000 long tons and our domestic production amounted to approximately 177,000 long tons, or about 30 percent of the total. In manganese ore,

not including manganiferous ores, our imports were approximately 2,295,000 long tons and our production was approximately 479,000 long tons, or about 18 percent of the total. The total imports of tungsten during that period were approximately 19,000 long tons, and the domestic production was approximately that same amount, or 50 percent of the total.

It is my own opinion that the domestic production of manganese can be greatly stimulated with proper and reasonable encouragement, especially if sufficient encouragement be given to the production and use of manganiferous ores of less than 35-percent grade. From the standpoint of developing our own self-sufficiency in the field of national defense, it is my own view that the Federal Government should take reasonable steps to encourage the development of production of these strategic materials wherever possible.

INCREASE THE TOTAL STOCK PILE

There is one point I wish to emphasize in connection with this bill. Its purpose should be to increase the total stock piles of strategic materials in our Nation. Our passage of this bill will be of very little defense value if the officials charged with the administration thereof use it only as authority for a bookkeeping transaction with the owners of privately owned stocks. These officials should take notice that in the passing of this bill Congress is trying to build up the total available stock pile of strategic materials. The War Department officials, in hearings before the committee, revealed a sincere interest in this purpose.

I am mentioning this point here only because I have received a copy of a letter written by the American Manganese Producers' Association to Hon. A. J. MAY, chairman of our committee, stating that in their opinion the total stock pile of manganese in the United States will be no larger at the end of the first year than now exists, and I want to say that the officials of the War Department to whom I have talked demonstrated a far better understanding of the true purpose of this bill than is implied by the statement of the American Manganese Producers' Association.

HOW LARGE SHOULD THE AUTHORIZATION BE?

Some very interesting discussion took place in committee regarding the size of the authorization. At no time during committee hearings and during committee discussion was any official report presented from either the War Department or the Budget favoring the authorization of the expenditure of \$100,000,000, as provided in this bill.

We are all now familiar with the President's opposition to the expenditure of more than \$10,000,000 for these purposes in the coming fiscal year. When I find our President, and Commander in Chief of our Army and Navy, recommending a sum far less than that included in our committee recommendation, I am inclined to follow the recommendation of the President. As Commander in Chief of the Army and Navy, he is in position to know our needs, and I have not yet met a situation in the field of national defense wherein I have felt that he has underestimated them. For that reason, I will support any amendment offered to this bill that has for its purpose the reduction of the authorization to \$10,000,000 per year. That, I believe, will be adequate for the needs as recommended by the President and at the same time more economical.

You may be told in the course of this debate that we should authorize the full \$100,000,000 and leave it to the Committee on Appropriations to recommend such sums as the exigencies of the occasion may require, but it is my position that such loose and extravagant authorization measures can only deprive the Committee on Military Affairs of their true function in this House, namely, the careful study of our needs in the field of national defense. [Applause.]

The tables referred to by the gentleman from Iowa [Mr. MARTIN] are as follows:

Production and foreign trade figures of the United States for chrome ore, manganese, tin, and tungsten, 1909 to 1937, inclusive
[1 long ton=2,240 pounds; 1 short ton=2,000 pounds]

Year	Chrome ore (or chromite) ¹		Manganese					Tin				Tungsten		
			Production ²		Imports		Domestic exports—ferro-manganese and other alloys, manganese content	Production	Imports		Domestic exports—bars, blocks, pigs, etc.	Production	Imports—tungsten-bearing ores	Domestic exports—ferro-tungsten, tungsten, metal, and wire
	Manganese ores	Manganiferous ores	Oxide and ore	Ferro-manganese and other alloys, manganese content	Ore	Bars, blocks, pigs, etc.								
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons	Short tons	Long tons	1,000 lbs.	1,000 lbs.	Short tons	Long tons	1,000 lbs.
1909.....	598	29,792	1,544	68,654	165,061	—	0	20	—	91,122	—	1,619	—	—
1910.....	205	44,953	2,258	61,101	242,348	—	0	40	—	105,138	—	1,821	—	—
1911.....	120	38,139	2,457	44,437	176,852	—	0	70	—	106,937	(³)	1,139	—	(⁴)
1912.....	201	47,007	1,664	—,517	300,661	—	0	130	—	116,003	—	1,330	371	—
1913.....	255	49,772	4,048	59,403	345,090	—	0	55	—	104,282	—	1,537	766	—
1914.....	591	79,842	2,635	98,265	283,294	—	0	104	—	95,050	—	990	217	—
1915.....	3,281	47,051	9,613	195,735	313,985	—	0	102	—	115,636	—	2,332	439	(⁵)
1916.....	47,035	107,069	31,474	544,326	576,321	—	0	140	7,179	138,073	—	5,923	3,635	125
1917.....	43,725	113,326	129,405	860,944	629,972	—	0	110	8,084	143,637	—	798	6,144	1,784
1918.....	82,430	77,781	305,869	1,170,462	491,303	—	3,577	69	16,423	142,507	—	40	5,068	1,232
1919.....	5,079	71,592	55,322	433,733	333,344	—	2,999	56	17,139	89,608	—	612	330	38
1920.....	2,502	150,275	94,420	767,664	606,937	—	3,454	22	30,489	126,038	—	1,411	216	5
1921.....	282	81,836	13,568	97,099	401,354	—	690	4	13,696	54,201	—	2,309	1,441	0
1922.....	355	90,081	15,682	625,659	374,451	—	1,396	1.4	12,325	134,833	—	1,803	(⁶) 1,665	1
1923.....	227	128,763	32,269	1,433,897	206,048	—	4,295	1.9	2,692	154,411	—	1,680	251	5
1924.....	288	118,343	58,348	898,468	254,458	47,811	3,165	7	155	145,732	—	938	565	80
1925.....	108	149,739	98,324	1,448,054	299,950	67,436	5,496	14	191	171,686	—	809	1,190	13
1926.....	141	215,464	46,258	1,235,431	361,490	43,932	693	8	303	172,836	—	1,511	3,442	29
1927.....	201	222,360	44,741	1,461,608	313,395	34,018	1,641	27	122	159,357	—	2,262	1,614	20

the country. This writer believes that the expectation of finding very large additional amounts of carbonate ore is warranted.

Chromite is found in a belt of pyroxenites and peridotites near the south border of Montana, in Sweet Grass and Stillwater Counties. The belt starts on the Boulder River, in Sweet Grass County, 10 miles south of McLeod, and extends in a general direction 15 degrees south of east for 27 miles to Fishtail Creek, in Stillwater County. A smaller deposit of chromite some 25 miles to the southeast, near Red Lodge, is not a part of this belt. The mode of occurrence gives every reason to believe that the ore extends for considerable distances below the surface, perhaps 1,000 feet or more. Chromite is also found on claims near Washoe, 10 miles southwest of Red Lodge. Although no approach to an accurate estimate is at present possible, it is the belief of the writer that the estimate of 375,000 tons is a low estimate for the belt as a whole. If that amount of ore is not ultimately recovered, it will not be because the ore is not in the ground. It should be noted that the form of occurrence of the chromite in this belt is radically different from that of deposits farther west, in California and Oregon, and that there is much stronger reason for counting on continuity in depth here than there.

The development of our own natural resources has been placed as a secondary consideration by the Committee on Military Affairs, according to the committee's report. The first point in the committee's report on the bill is based on the alleged immediate need of national-defense precautions. It appears to me that the protection of the American market for the American producer is suffering under the supposition of an immediate war danger.

The report states:

The principle involved being by the placing of educational orders with factories adapted to the production of noncommercial articles; that is, those not of commercial value other than in the national-defense picture; and it is likewise felt that, inasmuch as such strategic and critical materials as manganese, tungsten, tin, and rubber are now very largely obtained from foreign sources, if a general war, which is not at this time unlikely, should occur, the lines of trade and commerce with foreign countries might be severed * * *.

At the same time the report points out that American producers are capable of providing a great tonnage to the American market if the foreign imports are unavailable. The report states (p. 203):

During the World War, when prices were high, the domestic industries, particularly the manganese industry, was encouraged to make further and additional development of their mines and properties that production of manganese in particular, which is regarded by the committee and by the War Department a strategic mineral No. 1 in matter of importance, rose from a domestic production of 2,635 tons in 1914, with 31 producers engaged in the industry, and within the 3 years thereafter, going up to 1918, the production went up from this small tonnage to 305,869 tons, and the number of producers from 31 to 247, and this is quite convincing that if the industry, then in its infancy, practically dormant, could revive to that extent, that with modern equipment and machinery now available from many sources, and with trial orders sufficient to give encouragement to further development, our domestic sources * * * within a period of some 4 or 5 years, we would probably be independent of foreign sources for supplies.

Excerpts from the testimony presented by James W. Furness, Chief of the Economics and Statistics Branch of the Bureau of Mines, before the Committee on Military Affairs during consideration of the measure now before the House, are particularly significant as concerns the production of manganese in Montana.

On page 83 of the hearings report, Mr. Furness stated:

The manganese content of manganese ores imported into the United States is consistently around 47 percent.

Speaking of production in Montana on page 89, Mr. Furness said:

The grade of the ore is raised (through a processing plant) from approximately 30 percent to more than 60 percent.

And on page 91, Mr. Furness stated:

Butte can produce ore not only higher grade than any other source that we now know, but it can produce a comparatively high tonnage as compared with the domestic production, but not compared with the tonnage imported.

The chairman of the committee on page 93 asked Mr. Furness the following question:

Then you tell us there has been a developed production of about 70,000 tons a year out at Butte, Mont., and now what has your committee done toward finding about these other States besides Montana? How many other places have you got a production of 70,000 tons a year?

Mr. Furness answered:

Nowhere else.

Tables on page 3 of the reprint of a chapter entitled "Manganese and Manganiferous Ores" from the Minerals Yearbook, 1938, prepared by the Bureau of Mines, show the amounts of metallurgical manganese and ferruginous manganese ore shipped from Montana and other States from 1933 to 1937.

The tables show that Montana shipped 16,854 long tons, or two-third of the entire amount shipped from United States mine, of metallurgical manganese ore in 1937. In 1936, Montana shipped 5,154 long tons; in 1935, 2,155 long tons; in 1934, 1,657 long tons; and in 1933, 987 long tons.

Montana was second high in 1937 among States shipping ferruginous manganese ore with 19,660 long tons, a slight decrease from the figure in 1936. Shipments of ferruginous manganese ore from Montana in 1936 totaled 20,307 long tons; in 1935, 6,818 long tons; in 1934, 11,247 long tons.

Now when the committee report states that "the important strategic raw materials—manganese, chromium, tungsten, and tin—are either lacking in this country or are produced in very limited quantities incapable of marked expansion," it is paradoxical to the preceding production figures in Montana alone.

Montana alone is capable of producing 70,000 tons of high-grade manganese annually. Domestic manganese is not "entirely lacking" or "incapable of marked expansion," as stated in the committee report.

Furthermore we have a record tonnage of imported strategic metals, particularly manganese, in stock piles today. Surely we must give all consideration possible to domestic producers and under no circumstances must we purchase from foreign producers under the pretense of a war mania.

The committee report shows that we can produce manganese and chrome in the United States. It is far better to develop our domestic resources rather than to continue to purchase foreign materials. You cannot put men to work in the United States by purchasing foreign strategic materials.

[Here the gavel fell.]

Mr. MARTIN of Iowa. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, I am one of those old-fashioned Americans who believe we should patronize home industry. I can see no reason whatever for including manganese in this measure. As I recall, from 35 to 38 States in the Union have large deposits of manganese. It was for the purpose of developing these deposits that a tariff rate of \$20 per ton was imposed in the Hawley-Smoot Tariff Act. Under the beneficent influence of this protection there was rapid development of the American manganese industry, but in negotiating the trade agreement with Brazil we very generously reduced that tariff rate of \$20 per ton to \$10 per ton, which practically shut down all American manganese mines because their operators could not compete with countries where the wage scale is but a fraction of what it is in this country. When we reduced the tariff rate on manganese in the Brazilian treaty that benefit automatically was extended to Cuba, Russia, India, and other large producers of manganese, where the going wage scale is about 25 to 50 cents a day.

Of course, you are never going to develop the American manganese deposits with a tariff rate of \$10 per ton; in fact, it would need at least \$20, and there are those who say we would need perhaps a \$25 tariff. But I notice that when the \$20 rate was in effect the manganese mines in Minnesota were operating, and I notice that the imports at that time were comparatively small. Of course, the large steel manufacturers want cheap manganese. They want to buy

their manganese in Cuba and Brazil and in India and in Russia, because they can buy it there for a fraction of the amount for which the American miner can produce it.

It seems to me the time has come when we should restore the bars that are so essential to the welfare of agriculture and industry in this country. The gentleman from Montana [Mr. O'CONNOR] called attention to the deposits in his State. The gentleman believes the passage of this measure will help the mining industry in Montana. The gentleman is a bigger optimist than I am. I do not believe we are going to get a dollar out of this program. I do not believe the State of Montana will get anything out of it. Of course, we have worried along with these trade agreements now for the past 4 or 5 years, and I guess we can stand for it another 18 months. Then we are going to have a change.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I have only 5 minutes. I am sorry.

Mr. SHEPPARD. So am I.

[Here the gavel fell.]

Mr. MARTIN of Iowa. Mr. Chairman, I yield 3 additional minutes to the gentleman from Minnesota.

Mr. KNUTSON. In the meanwhile we shall continue to operate soup kitchens and W. P. A. and P. W. A. and all these other economic monstrosities that only dreamers and visionaries could concoct. Fortunately, we are returning to sanity. That was shown in a number of States last fall. Unless all signs fail, we are going to have a Republican landslide in 1940. But I pity the man who is elected President, because he will not in one term be able to clean up the mess he will find, so he will have to reconcile himself to being a one-termer. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, when I came here in January 1937 as a new Member, one of the first Members of this body I met was the gentleman from Nevada, Congressman SCRUGHAM. He said to me in a private conversation that we ought to try to put in some military or naval appropriation bill an item for say \$10,000,000 to provide for laying in a stock pile of strategic war materials. I said, "Governor, I do not know much about that. You as an artillery officer in 1917 probably got an insight of the country's need." He said, "Exactly so. The country was in desperate need for them when we entered the war."

You will recall that the House in 1937 put in the naval appropriation bill an item for \$5,000,000, which was cut to \$3,500,000, and passed. This was a starter. I recall that the Committee on Military Affairs was kind enough to listen to me on May 18 of 1937 when the preceding Faddis bill was before that committee. It also provided that a stock pile should be gathered of strategic materials from abroad. I believe the original Faddis bill provided that these materials should be obtained from abroad as part payment of the war debts. It occurred to me at that time, as it does today, that there is very little likelihood of our getting any money from the nations who owe us these debts. We are getting strategic materials from Russia, but I believe Russia intends never to pay her war debt to us. Therefore, I do not have very much hope that we shall get much of these materials from some of the nations abroad which owe us money, for some of the countries that can best produce the materials we need do not owe us war debts and some that owe us war debts will not pay us in that way.

I have heard something said here today about additional national expense and the mounting debt. I should like to ask if you ever knew a businessman to build a \$5,000 or \$10,000 frame dwelling and then as an economy matter fail to take out fire insurance on that dwelling. I believe we might go ahead and vote our millions and billions as a matter of national defense and for other purposes and fail to pass some such legislation as this, and thus exhibit the same lack of judgment the man who builds a \$10,000 frame house exhibits when he fails to take out a fire-insurance policy on the house.

Why am I here advocating this bill in general? Am I a spokesman for the American Manganese Association? By no means. Am I here speaking for some promotion concern in Arizona? By no means. I do know, and I can back up this statement of my colleagues from the West, that there are great deposits of these strategic materials all over the West. I heard the gentleman from South Dakota [Mr. CASE] say there is enough manganese in South Dakota to match all the iron ore in the country. I have just heard the gentleman from Montana [Mr. O'CONNOR] say we are producing great quantities of manganese at Butte.

My other colleague, the gentleman from Minnesota [Mr. KNUTSON], has just said we are producing it out in Minnesota. I do know there are millions of tons of manganese ore in sight out at Artillery Peak in Mohave County, Ariz. I do know that I have received many letters and telegrams from my constituents in Arizona saying, "help the small mine owners," in many, many ways which I have not time to enumerate.

It has been suggested that we do not have these strategic materials in this country. I cannot believe that. I have it on the word of the dean of the School of Mines of the University of Arizona, and other eminent authorities, that there is a vast supply of manganese, for instance, at Artillery Peak, Mohave County, Ariz., and I know there is a vast supply of tungsten in the State of Arizona. I believe we have no need, from the standpoint of conserving our present stock to meet future needs—and there is no man in this House who takes more interest in posterity and preserving for posterity what we ought to preserve for it than myself.

I am not speaking now for the American Manganese Association, neither do I speak for great steel manufacturing concerns. I want that to be distinctly understood. I am very much interested in the steel industry of this country in general and I know that manganese, for instance, is the very backbone of the steel industry. We must not depend upon foreigners for this. I do not want our great steel-manufacturing concerns to continue indefinitely to get their supply of cheap manganese from low-paid labor abroad when they ought to get it at home.

As a matter of national defense, and that is my primary interest in this bill, I want us to have not only a present stock pile, and I am willing to get it from Russia, or China, or any place else right now within the next 30 days, if it can be done, and I am going along with this bill with that understanding, but I do not want that thing to become the Nation's fixed policy. It is of the future years I am thinking. That we may have a long-time national defense, we ought to begin now to produce what we can produce and what we know we can produce in this country. So I am hoping for an amendment to this bill looking in that direction.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. If I have the time; yes.

Mr. MURDOCK of Utah. I know the gentleman is familiar with the great contribution made by American prospectors of the West in developing our mineral resources, and I am just wondering if a part of the money appropriated in this bill for exploration for these critical and strategic materials could not be well allotted to those prospectors in the way of grubstakes.

Mr. MURDOCK of Arizona. I think that is true. I would like to see that done.

Mining throughout the great West is now stagnant. It is one of the great industries on which all of our prosperity depends. We ought to do that and we ought to liberalize the rules of the S. E. C., and we ought to liberalize Reconstruction Finance loans. We ought to do everything possible to induce new and private capital to enter into the development of western mines, not big mines only, but also small mines. Every day I get many letters from the small mines' associations, of which there are about 50 councils organized all over the State, asking for just these things.

I tell you, Mr. Chairman, we all know and speak about the importance of manufacturing and farming, but the

great extractive industry of taking wealth from Mother Earth is basic and parental, and I want to emphasize that.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I am interested in the manufacture of steel, I am interested in farming, I am interested in mining, but I want to stress this thought before my time expires. I am basically interested in national defense, and we cannot have a national-defense policy unless we somehow split the difference between two opposing schools of thought with respect to this matter. Get your immediate stock pile at once, get it abroad, by exchanging cotton, if you please, but see to it that year after next we get these minerals right out of the soil of America.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I will have to yield first to my friend over on this side.

Mr. SHORT. I may say to the gentleman from Arizona that he has really answered the question I had in mind. The gentleman has made a very splendid statement, and while we should do everything in our power to encourage industries in this country, due to the present emergency, I am pleased that the gentleman states he is willing for us to import these four strategic materials.

Mr. MURDOCK of Arizona. I thank the gentleman from Missouri. Yes; I am willing and anxious that they be imported for only a short time.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman.

Mr. ROMJUE. If legislation of this kind had been enacted when we entered the World War, would it not have saved much time and millions of dollars?

Mr. MURDOCK of Arizona. It certainly would, and that is one of the points I wish to cover next. We have been told here that the Government spent a lot of money 20 years ago doing what we are asked to do now, but let me remind you that we did not begin that program until after the war started. We had better begin now before war starts, for fear we may have a war, and I hope my colleague, the gentleman from Montana [Mr. O'CONNOR] is correct that we are not going to have any war. I pay money out for accident insurance, and hope never to need to collect a cent.

One more thing. Matters have changed in 20 years. New processes have been developed. I understand there is an electric process now for refining manganese ore so that we can have, wherever there is cheap power, manganese ore produced suitable to our trade which could not be done 20 years ago.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, I do not want to trespass on the time of the Committee this afternoon, except to say that several Members on the floor on both sides—yes, even some on the majority—have asked me if I think this is a good bill. I feel highly flattered that any majority Member would ask my opinion of any piece of legislation, but I am happy to state that I think I am correct when I say that the Committee on Military Affairs is unanimously in favor of this legislation. It is a good bill. Its quick enactment is both desirable and necessary. I pause long enough to extend my congratulations and appreciation to our distinguished chairman, the gentleman from Kentucky [Mr. MAY] and the author of the bill the gentleman from Pennsylvania [Mr. FADDIS], both of whom have given much time and serious study to this particular legislation. We all know that it is absolutely useless for us to build battleships, tanks, semiautomatic rifles, artillery, antiaircraft guns, and so forth, unless we have something to shoot out of those guns, and the four strategic materials covered in this legislation—manganese, tungsten, tin, and chromium—are essential materials in warfare. Modern war cannot be waged without them. They are indispensable. I think that the provision in the pending legislation whereby we shall attempt to secure tin and rubber from some of our former allies to apply on the war debt they

owe us is a very good provision, although I do not expect us to get a dollar's worth of any commodity by applying it on the war debt. It is regrettable that a more serious and determined effort has not been made to collect these war debts or to take them out in trade; and, since we do not have much faith or hope in getting tin and rubber by applying their cost to the credit of our debtor nations, I think the provision of bartering excess cotton and wheat for these strategic war materials is a wise one. I deeply appreciate the efforts of the gentleman from Georgia [Mr. PACE], along with those of the distinguished junior Senator from South Carolina, who brought this to the attention of the American people. I hope that as we secure these war materials and build up our own national defense that we will keep in mind at all times that it is all for defense purposes only, and while we want munitions and materials of war to shoot out of these cannon and guns, let us hope and pray that we may never have to shoot any of it except in practice. [Applause.]

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I am glad to know that our genial friend from Missouri [Mr. SHORT] is in hearty accord with the purposes of this bill, because I feel that we are all now pretty well agreed that the 3 hours' debate allotted to us is hardly necessary. I shall yield a part of my time to the gentleman from Pennsylvania [Mr. FADDIS].

As has been said by the gentleman from Missouri [Mr. SHORT], the chairman of the committee has rendered distinguished service in reporting this bill, but I recall that for the last 3 years the gentleman from Pennsylvania [Mr. FADDIS] has had a bill of this kind before the Committee on Military Affairs, but it is only a recent thing that so much attention has been attracted to this particular legislation.

I was interested in what the gentleman from Arizona [Mr. MURDOCK] had to say, that this is primarily a national-defense measure. This is no tariff bill. This does not involve reciprocal-trade agreements or anything of that sort. This is a bill that the War Department and the Navy Department say is absolutely necessary for proper and adequate national defense. It is not necessary to recount the lack of supplies of this kind that we needed during the World War. Along with the national-defense bill we passed last month, this is just another part of a program to accumulate these stock piles, so that we will not be caught in any such predicament as we found ourselves in during the World War. It does have a twofold purpose, because in addition to the national defense it gives encouragement to the American mining industry. I live away down at El Paso, where there is a big smelter and likewise a large copper refinery. My people are interested in mining, and I think near my own city there is a tin mine which has now been abandoned for some years, but I know some good mining men who believe that with just a little encouragement it could be made to produce in paying quantity. Tin is one of the scarcest materials that we have in this country. I want to assist and encourage the mining business. The owners and operators deserve encouragement, and this program will also assist employment.

I want to see the mining industry of the entire country prosper. I am one of those who believes that we can always depend upon the War Department and the Navy Department, so long as it is consistent with national defense, to give preference to the domestic producer. If you will read carefully the testimony of those who spoke for the War Department and the Navy Department, as disclosed by the hearings, you will find that in every instance both the War Department and the Navy Department have always given preference to American production where the proper quality and quantity of mineral could be obtained.

So it seems to me, in view of the fact that the chairman of the committee and the ranking member on the minority side have agreed on the Buy American amendment to the bill, there is little need for further discussion or for any roll call, because this Congress has already demonstrated it is tremendously interested in national defense, and that is all there is left to this bill. [Applause.]

I think it is a very fine piece of legislation, and I am anxious to see this bill go to conference in order that any differences existing between this bill and the so-called Thomas bill shall be ironed out and the bill become law quite soon, in order that the Procurement Division of the Treasury and the procurement division of the Army, the Navy, and the Bureau of Mines shall begin operation under this bill. We have been talking about it for 3 or 4 years. It will encourage those interested in national defense, but likewise it will be a great stimulus to the domestic mining industry of this country.

I want to again pay my tribute of thanks to the gentleman from Pennsylvania [Mr. FADDIS] and all others, including the chairman of the committee [Mr. MAY], the gentleman from South Dakota [Mr. CASE], the gentleman from Nevada [Mr. SCRUGHAM], the gentleman from Arizona [Mr. MURDOCK], and many others who have been so largely interested in this important legislation for 3 or 4 years, but only now begin to see the fruition of their efforts.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. LEAVY. I notice in this bill there is a provision for \$500,000 additional to the Bureau of Mines and the Geological Survey for research and exploratory work. I think that is a very commendable and splendid thing. If they, in the course of this research and exploration work, should make findings that we have these strategic minerals in America, then would we be in a position to automatically stop this storing up and making purchases abroad?

Mr. THOMASON. Oh, I do not think there is any doubt about it. The committee was unanimously in accord with the views just expressed by the gentleman from Washington [Mr. LEAVY]. That is a fine provision in this law, but, of course, if you judge the War Department and the Navy Department by their past records, as well as the promises made by their spokesmen in the hearings, the gentleman from Washington and every other Member of this body, as well as every American citizen, need have no fear whatever that the War and Navy Departments will immediately seize upon that new development as a result of the exploratory and experimental work, and give all the purchases to home production.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ANDREWS. Mr. Chairman, I yield 4 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, there are many here today who, like lawyers, believe that the best defense is thorough preparation. This, therefore, is a strategic time to point out to you the horrible truth that we are leaving to potential enemies of the United States the power to gain control of our supply of a very important war material—zinc.

If war should come—and the people are looking to this Congress to prevent war—there must be zinc in every cartridge that is fired.

Some of the gentlemen here may fancy that we have an adequate supply of zinc. We have mines in Missouri and New Jersey, we have zinc-processing plants in Missouri, Illinois, and, I am informed, in Wisconsin.

The truth is, however, that American zinc industries are now being rapidly destroyed by an undeclared price war, which is the direct result of the treaty with Canada which went into effect last January. [Applause.]

Our industries cannot possibly compete with zinc industries in foreign countries. We have wage and hour laws; we have high taxes; the social-security tax in the zinc-processing plant in my district, for instance, near Danville, Ill.—Danville, you will remember, was "Uncle Joe" Cannon's home town—amounts to \$100 a day. Last year, due to this treaty, this one plant lost a quarter of a million dollars. Already the operators have been forced by the treaty to discharge hundreds of men. The situation is the same everywhere in the American zinc industry.

I am told that those in the State Department profess not to understand how a treaty which became effective in Janu-

ary might have caused a loss last year; but, fortunately for the United States, there are some Members here who know business and business ways; who can appreciate that in an industry like this, where prices are quoted 4 months in advance, the effect of a treaty in January is to reduce prices at least 4 months before January; who know that a plant, in order to hold customers, will reduce its prices down below cost; who may also see that no zinc plant can go on very long losing money at the rate of a quarter of a million dollars a year.

Fortunately, there is one chance left to remedy this perilous condition—the treaty referred to comes up for review next month.

We have already learned that America needs that Congressmen shall be more than "little Sir Echoes" of an administration.

So I am hoping that those of you who are welcome at the White House will on your next visit there carry with you this thought: That it is not going to do America much good to buy millions of dollars worth of guns with which to frighten so-called aggressors if the so-called aggressors have up their sleeves the assurance that through the Secretary of State we are signing away the power to produce the stuff of which our bullets must be made. Thank you. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. THORKELESON].

Mr. THORKELESON. Mr. Chairman, I shall support this bill for the full amount it authorizes, \$100,000,000. I look upon it not as a war measure because we use manganese in peacetime as well as in wartime.

Manganese is produced in Montana, and our Montana producers are not asking any aid in its production. We have well-developed ore bodies and we have flotation plants and nodulizing plants in Montana. These plants represent the investment of many millions of dollars. We can produce on 24 hours' notice at the rate of 70,000 tons of manganese per year. After 3 months of operation we can produce at the rate of 140,000 tons per year, and after 4 years of operation we can produce at the rate of approximately 400,000 tons per year. This production is of 60-percent manganese as compared with imported manganese which runs only about 47 percent.

I am interested in another phase of this bill. My colleagues on the left speak about spending money. Here is an opportunity to stop spending money by allowing our mines to operate and employ the people of Montana who are now idle. This will reduce the W. P. A. pay rolls and at the same time add to the production of needed materials. I believe our own industries are entitled to this much consideration not only as a war measure but as a peace measure. I shall, therefore, give my full support to this bill carrying as it does authorization for \$100,000,000. [Applause.]

I am speaking in behalf of H. R. 5191.

My State does not ask any aid of any kind from the Government to develop a manganese resource. Developed ore bodies, a commercial flotation process, and nodulizing plant are already in existence, representing several million dollars of investment.

One operation at Butte can start producing the highest grade nodulized manganese ore in the world with fewer impurities than any known ore. This operation can start within 24 hours' notice. Furthermore, it is the only known ore which has been used 100 percent straight in a blast furnace; that is, it does not have to be blended with other ores.

This operation has a present capacity of 70,000 long tons of nodulized ore per year and the owners would be willing to double this capacity, which would mean 140,000 tons per year. Doubling this capacity can be accomplished in 3 months' time if necessary. I am advised that the ore supply for such production is adequate.

Another phase of this situation, which seems to me of vital importance at this time, is the number of men that would be employed in my district alone. I am informed that steady and gainful employment would be given to 415 men per day on a 70,000-ton of nodulized manganese ore per year basis

and approximately a thousand men on a 140,000-ton per year basis.

Within the 4-year period which this bill covers I have no doubt that the manganese resources of Phillipsburg, Mont., will come in for more intensive development, as they were heavily drawn on during the World War. At the end of the 4-year period I predict that my State alone will produce a large percentage of the United States requirements.

From the title of this bill I gather that it is the will and intent of Congress to, first, provide for a stock pile insofar as possible from domestic sources, and secondly, to develop sources of strategic raw materials in this country, to the end that such materials may be removed from said strategic list. I consider it my duty, therefore, to insist that American production and American labor be given every and all preference over foreign producers, such as Cuba, Russia, India, Africa, and Brazil.

It is my conviction that this amendment should be adopted, as it will bring the proposed bill, H. R. 5191, in line with the Thomas bill, S. 572, which has already passed the Senate by a vote of 59 to 13.

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, I am highly appreciative of the courtesy, the patience, and the industry exhibited by my colleagues on the Committee on Military Affairs in assisting in the preparation and presentation of this legislation. Since I have been a member of this committee I do not believe any subject has come before it the hearings on which stretched over a longer time or involved the examination of more witnesses than did the hearings on this subject. There was a full attendance of the committee at almost every session, and I am sure no committee ever went into a subject more thoroughly, more painstakingly, and more patiently than did the Committee on Military Affairs on this subject.

It is not my purpose to make an extended talk on this legislation this afternoon, because the matter has been very thoroughly discussed by preceding speakers. I do want to say, however, that in my opinion any acquisition of strategic materials under the provisions of this bill will be just as valuable to this Nation, or perhaps more valuable, than the acquisition of so much useless gold. After all, while it is almost universally recognized in this world that gold is necessary, as a basis of currency, at the same time when we come to making a practical use of gold, about its only practical use, as far as I can see, is what you can use to fill your teeth. If we accumulate reserves of these essential materials without which the industries of this Nation cannot function, either in time of peace or in time of war, we have added to the resources, the assets, and the wealth of the Federal Government something which may be more valuable to us some day than all the gold buried at Fort Knox.

It does not necessarily follow that we contemplate using these materials in war time, as far as their use in lethal weapons is concerned, but it is highly probable that the day may come when the world will be so torn with strife that it will be impossible for us to secure enough of these essential commodities to enable our industries to function even though we may not be engaged in any hostility ourselves.

To illustrate: We are the largest consumer of tin in the world. Each year we consume in the neighborhood of 60,000 tons of pig tin—that is, refined tin, virgin tin. Every pound of this tin comes from abroad. The largest percentage of it comes from the Malay Straits Settlements. Some of it comes from Bolivia. We do not at the present time in the United States have one single smelter that could smelt tin ore, could we acquire the tin ore. We are the largest consumer of manganese in the world and annually consume in normal times in the neighborhood of 1,000,000 tons of ferromanganese. Without manganese our steel industries could not function. We are also the world's largest consumer of chromium and tungsten. Without these materials our steel industry could not function. Prior to this time we have im-

ported practically all of our chromium and tungsten as well as our manganese.

I do not desire this afternoon to go into the likelihood of our being able to produce manganese domestically. In this connection I desire to say only that so far we have never done so, and by the testimony of the most optimistic supporters of a domestic manganese industry it has been proven before the Committee on Military Affairs that with the very best that they could do it would take 8 years before domestic producers could produce our annual needs of manganese. I would like to see the day come when we would be self-sufficient in manganese, and, indeed, self-sufficient in every commodity which we need in this Nation. That is, however, a physical impossibility.

There are many other commodities which may be acquired under the terms of this legislation, and it will be noted that no commodity is mentioned by name in the pending legislation. It is flexible enough to meet the varying conditions which we may encounter.

The first legislation introduced and reported along this line mentioned four commodities by name and it only proposed to acquire these four commodities. They were manganese, tin, chromium, and tungsten. But as more work was done on the legislation and more thought given to it, it was realized that conditions change so rapidly now that what is a very essential commodity today may not be so essential tomorrow, while a commodity which today is relatively unimportant may be a No. 1 essential commodity tomorrow. For instance, I do not doubt that a great many Members of the House are acquainted with this new metal beryllium and the rapid advances which will in all probability be made by that metal in the next few years. I use that simply as an illustration. There are various commodities which it will be necessary to acquire under the terms of this legislation that are highly perishable. These commodities are not metals. Manganese, tin, and various other metals could scarcely be classed as perishable, but there are certain drugs that are highly essential to this Nation which are highly perishable as is also rubber. There is not only a possibility but the certainty that these cannot be stored for any great length of time.

In order that the War Department may not lose the money invested in those commodities which are perishable, the rotation feature is provided in this legislation. The Procurement Division may turn these commodities into the market before they deteriorate and become useless. However, when they turn these commodities into the market, they must acquire others to replace the commodities so turned off in order that at all times a sufficient supply of commodities will be maintained in the Nation. They cannot speculate in commodities.

Just a word as to the appropriation asked for in the provisions of this legislation. We are asking for \$100,000,000. I do not believe there is a member of the Committee on Military Affairs who believes that this sum is exorbitant. I know there are some of my colleagues on the minority side who do not wish to oppose the President in the matter of this appropriation. Just the same, I know that they firmly believe that in order to make ourselves safe along this line, a greater expense than this is justified.

I feel that the duty of the Committee on Military Affairs of the House is to recommend to the Congress legislation which it deems sufficient to provide for the national security of the United States. I feel further that when we have recommended to the Congress legislation that we believe to be sufficient along this line, we have discharged our duty to the Congress and to the Nation. If the Committee on Appropriations or any other department in connection with the Government does not see fit to take the advice of the committee which is charged with this duty, then the committee has fulfilled its obligations to the Nation and has done all it can do.

Mr. Chairman, I do not wish to take any more time. If any Member has any questions he would like to ask, I will be glad to endeavor to answer them.

Mr. SHORT. Mr. Chairman, I would like to ask the gentleman if he noticed about a month ago where the Federal Sur-

plus Commodities Corporation had sold to both Germany and Japan wheat for around 37 cents and 38½ cents a bushel, whereas the American consumer has to pay 70 cents a bushel in Chicago? If we are going to swap or trade our surplus wheat and cotton to Britain, Belgium, or any other country for tin and rubber, I trust that those who negotiate the trade will know how to swap horses a little better than we have been doing in the past.

Mr. FADDIS. I hope that will be the case. May I observe in that connection that the American individually is the sharpest trader the world has ever produced, but, taking us collectively, we seem to have been at the head of the world's sucker list of the past 25 years. [Applause.]

[Here the gavel fell.]

Mr. SHORT. I heartily concur in the gentleman's opinion.

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

DEVELOPMENT OF DOMESTIC RESERVES MEANS DOUBLING OUR DEFENSE IN MATERIALS

Mr. CASE of South Dakota. Mr. Chairman, in being accorded the privilege by the gentleman from New York [Mr. ANDREWS], ranking minority member of the Committee on Military Affairs, to conclude the discussion on this side of the aisle, I, as a Member of the House, want to pay my respects to him, to the gentleman from Kentucky [Mr. MAY], chairman of the committee, and to the members of the committee. They have all been courteous and helpful to all of us lay Members who have consulted them on this bill. It was my privilege to appear before that committee in its consideration of this strategic-minerals bill. May I say to those Members who have not had occasion to appear before the committee that you will find on the Committee on Military Affairs of the House of Representatives men who are sincerely and earnestly interested in the welfare of the United States. [Applause.] They are exceeded by none in their patriotism and devotion to the best interests of this country.

As I stated, it was my privilege to appear before that committee on behalf of the proposal that the principle of the Buy American Act be incorporated in this legislation. The chairman of the committee and the ranking minority member were very sympathetic. The gentleman from Massachusetts [Mr. CLASON] and the gentleman from Iowa [Mr. MARTIN] were very helpful in framing a suitable amendment.

There are many Members of the House now before me, not members of the committee, who have been active and effective in developing support for the proposal. I see three or four in the front row, outstandingly, the gentleman from Nevada [Mr. SCRUGHAM], the gentleman from Utah [Mr. MURDOCK], the gentleman from Arizona [Mr. MURDOCK], the gentleman from Iowa [Mr. HARRINGTON], the gentlemen from Montana [Mr. THORKELOSON and Mr. O'CONNOR], and others who have spoken during the day. My colleague from South Dakota [Mr. MUNDT] has been greatly interested in the matter. These men have all been working for the development of a national-defense bill that will give us a double national defense, an emergency stock pile, and the double defense that comes from the development of our own resources.

I hold in my hand copy of a pamphlet prepared by the Committee on Industrial Preparedness, of the American Institute of Mining and Metallurgical Engineers published in 1933 entitled "Manganese for National Defense."

INSURANCE IS THE KEYNOTE

I want to call attention to a few sentences appearing on page 34 thereof. I quote:

No one can foretell what the nature of the war emergency may be. It may range from an airtight blockade on the one hand, through numerous conceivable intermediate situations, to minimum interference with sea-lanes and shipping on the other hand. For this reason the availability of foreign imports necessarily remains an unknown quantity in our problem. Nor is there any way to determine it. At best, foreign imports cannot be classed as insurance, and insurance is the keynote of this discussion.

Let me repeat that—

At best, foreign imports cannot be classed as insurance, and insurance is the keynote of this discussion.

That conclusion of the American Institute of Mining and Metallurgical Engineers is the sound basis upon which the Members of this House have asked that this program not only provide for the stock-piling of strategic materials but also permit and encourage the development of a domestic supply.

Reference has been made, I believe by the gentleman from Iowa, to the fact that there are four principal minerals in which we have a critical deficiency: Manganese, chromium, tungsten, and tin. It is true that with respect to chromium, tungsten, and tin there is as yet a lesser amount of evidence as to adequate supplies in this country, although I am reminded by the correspondence which comes to me frequently from my people in the mineral section of the Black Hills of South Dakota that we do have chromium, that we do have tungsten, and that we do have tin.

TIN IN THE BLACK HILLS

As a matter of fact, the Bureau of Mines' reports annually call attention to the deposits of tin in the Black Hills. Over a period of years considerable tin has been produced and two companies are milling ore there at the present time. Last year a party of four engineers from the Bureau of Mines spent several weeks investigating these tin deposits and two reports from the Bureau are now in preparation and are expected in May.

I am not contending that on the basis of present investigations or data available there is evidence to show that we have a supply of tin in this country adequate for any prolonged emergency, but at least we do have deposits that warrant a complete exploration to determine if we have enough tin to carry us through an emergency. Such tin as can be produced should be bought under the Buy American amendment to this bill in order to encourage full exploration of the deposits and research proposed in the bill should be carried on in such areas as this.

MANGANESE IS NO. 1 IN IMPORTANCE

A great deal of the discussion this afternoon has been addressed to the subject of manganese, and very properly so. I believe you all saw the statement of Mr. Girdler, of the Republic Steel Corporation, made in February of this year, that the time would come when the United States would give all the gold in the vaults in Kentucky for a pile of desperately needed manganese and chromium. It needs no emphasis from me to supplement what has been said earlier this afternoon about the importance of manganese generally. We must have it if we are to have steel in war or peace. I wish to concentrate my remarks on the domestic possibilities.

Bernard Baruch, who was Chairman of the War Industries Board during the World War, in December of 1919 in a letter to President Wilson stated:

Through a system of stimulation by a protective tariff, a bonus, an exemption from taxation for a limited period, licensing, or any other effective means, every possible effort should be made to develop production of manganese, chrome, tungsten, dyestuff, by-products of coal, and all such raw materials usually imported but which can be produced in quantity in this country.

It is stated by the American Institute of Mining and Metallurgical Engineers, in the report to which I have already referred, that their earlier conclusions, published in 1924, have been modified as a result of two things: First, the development of new processes, and second, the discovery of new deposits of manganese in the United States.

THE SOUTH DAKOTA DEPOSIT

The deposit of manganese in South Dakota to which reference has been made so many times this afternoon was not known, as far as Bureau of Mines reports or United States Geological Survey reports are concerned, until 1929, and the first memorandum prepared and issued by the Department of the Interior was in February of 1930.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I am pleased to yield to the gentleman from Utah.

Mr. MURDOCK of Utah. The deposits were found by a prospector.

Mr. CASE of South Dakota. Yes; I believe they were found by prospectors who knew what they were after. The Indians and early settlers spoke of them as the "black buttes."

The American Institute of Mining and Metallurgical Engineers in its 1933 report further says:

There is a way to possible modification of this war-reserve requirement. We have referred in the foregoing pages to recent discoveries of large reserves of low-grade material, of which the Chamberlain nodules are perhaps outstanding.

The report goes on to a properly conservative engineering statement:

We feel that processes might be developed, applicable to the large low-grade reserves, which would be noncommercial in normal times, but which might be thoroughly demonstrated to be technically sound and therefore applicable in times of stress and resulting high prices, such as in a war emergency. The investigation of such processes and their demonstration on an operating scale is obviously not an undertaking for private enterprise. But its importance to national defense is unquestionable.

Therefore, we go further than we did in 1924 with respect to supplementary recommendations, such as stimulating research and maintaining contact. We definitely recommend concrete research by the proper Government agencies, to the end that fully demonstrated methods supported by detailed designs and plans may actually be in hand on the eve of a war emergency.

On the basis of that recommendation, direct Government exploration and development of these reserves is warranted. You will recall that only a few weeks ago Congress passed legislation to authorize "educational orders" for factories and industries.

BILL PROVIDES EXPLORATORY WORK

It is interesting to me that the bill in one section provides authorization for an appropriation to the Bureau of Mines to do actual exploration work that can involve diamond drilling or crosscutting and development of processes to make a practical determination of the value of domestic deposits.

In the press memorandum put out by the Interior Department in February 1930, with respect to this Chamberlain deposit, it was stated that the exploratory work of the United States Geological Survey had been confined to nine townships. It further stated that the reconnaissance work by the principal operator and the United States Geological Survey had shown that the manganiferous zone persisted many miles farther up and down the valley of the Missouri River. In those nine townships they found by examining the bluffs and by digging pits and piling stocks a total estimated reserve of 102,177,476 tons, not of ore but of metallic manganese. This estimate is supported by a detailed table showing the estimates according to the different sections and legal descriptions of the land.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 2 additional minutes to the gentleman from South Dakota.

Mr. CASE of South Dakota. This discovery doubled the known manganese reserves of this country. Up to that time the total manganese reserves of the country were estimated at 100,000,000 tons of metallic manganese.

I have here a letter from Donald M. Liddell, a well-known chemical engineer and metallurgist in the United States. This letter is dated September 9, 1938, and in it Mr. Liddell states with respect to the South Dakota deposits:

There is no question that it is possible to produce manganese oxide of high grade from these ores. * * *

In consideration of the importance of manganese from the standpoint of national defense, I have often wondered why the War Department was never given an appropriation to test the process for treating these Chamberlain ores. * * *

At worst, if it was found that the cost was so high as to make the process noncommercial, the War Department would at least have the information necessary for the prompt erection and operation of a plant in case of an emergency.

I may add that the General Manganese Corporation, which has been the principal prospector in this area, is confident that the processes it has developed will produce a concentrated manganese that will meet every demand—if, as a new producer, they can be given assurance of a steady and dependable market at a fair American price.

In conclusion, I merely wish to say that I am in favor of this proposed legislation. I agree with the gentleman from Pennsylvania that the bill should be passed with the amount in the bill as it is. The Committee on Appropriations can be counted upon to reduce the appropriation if it is found that the failure of an emergency to develop means that the appropriation of less money is called for. However, speaking personally as a member of the Committee on Appropriations, I wish to assure you of my support for a proper appropriation under the authorization herein granted.

In my remarks on April 12 I reported that Members of the House who were interested in the domestic development as a means of doubling the defensive values of this measure had agreed on the following amendment:

Page 4, line 16, strike out the period and insert "And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), but a reasonable time, not to exceed 1 year, shall be allowed for production and delivery from domestic sources, and in the case of any such material available in the United States, but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may direct the purchase of such material without requiring the vendor to give bond; but nothing herein shall eliminate the requirement that the material delivered shall meet the specifications on which the order was placed."

Since then members of the group have conferred with members of the Military Affairs Committee and with the gentleman from Pennsylvania [Mr. FADDIS], whose name is carried on the bill and who has worked hard for many years for legislation of this character. It has been agreed that the first part of the amendment, that proposing the application of the Buy American Act, will be accepted, so that the amendment will read:

And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), and a reasonable time, in the judgment of the Secretary of War and Secretary of the Navy shall be allowed for production and delivery from domestic sources.

I am pleased that the committee has announced it will accept the amendment in that form, incorporating the principle of "buy American," in order that we may have first a stock pile and second the double defense that comes from the development and the encouragement of the development of our American deposits. [Applause.]

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the pending bill today may have permission to revise and extend their own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MAY. Mr. Chairman, I yield myself the remainder of the time allotted to this side.

Mr. Chairman, I do not suspect there is anybody here who imagines by any stretch of the imagination that I am going to take the 25 minutes that has been allotted to me. I would not have spoken upon the bill at all but for the fact that I very much desire to express my appreciation of the fine statesmanship, and sportsmanship as well, displayed by both sides of the House in the debate on this measure. It makes me very happy to realize that in all of these matters of national defense this body always exhibits its patriotism.

In the very few words I shall have to say about the matter, I simply want to stress two or three points. One is that this is both a national-defense measure and a recovery measure. It is a national-defense measure in the sense that it proposes to make this country self-sufficient in the matter of these strategic raw materials in case of war or any other great national emergency. It is a recovery measure in the sense that it proposes to encourage development of our own domestic resources in the production of these raw materials. If the spirit of the proposed bill is observed by those who administer it, it means development of our domestic mines and payment of wages to our own people, rather than people of other countries.

I am pleased to say on my own account that I greatly favor any measure that tends to develop domestic resources, that will spend money in this country for wages to provide greater comforts and greater conveniences for our own people, rather than spend it abroad among people to whom we owe no obligations in the way of support or relief.

I want to emphasize one other thing, and that is that it has been admitted here by everybody who has spoken upon the bill that during the last great war American producers were able to, and did, produce about 30 to 35 percent of our requirements, and basing my remarks largely upon a memorable statement made by one great statesman many years ago, that he had but one light by which his footsteps were guided and that was the lamp of experience, and taking that as my lesson today, I just want to call attention to the fact that during the World War when there was a market and a demand for manganese—and, of course, that is the critical No. 1 material—our production rose in this country, from domestic sources, from a little more than 6,000 tons to more than 300,000 tons.

Basing my remarks upon that experience and that accomplishment by an industry that had not then the facilities or the advantages of the new discoveries and the new research accomplishments we have now, I think I am perfectly safe in saying that in the event we had another war, this country would soon put itself in position to provide for our needs.

Now, I am hopeful that most of the war scare is over, and while it might not be over and they may have some war in Europe, I am not convinced yet that we are going to be involved in any war for many years, but I am also convinced that if we will begin, in good faith under the terms of this bill, to provide the necessary stocks or storage piles of these strategic materials, we can do this in peacetimes greatly cheaper than we can do it in wartimes, and that we can do it in peacetime by placing with those who have discovered deposits of manganese or tin or tungsten or chrome, if they discover them, and I know they have been discovered, according to Bureau of Mines reports, in about 27 States in this country—by placing trial orders contingent upon the production of the material and the furnishing of it—not advancing money or anything else of that kind, but saying to the producer, "When you produce so many tons of material, we will take it from you at a price." This will encourage the development of these resources of ours.

What the ordinary businessman wants is not a boost in prices for a small amount of production. What he wants is a long-time contract upon which he can be assured that he will have a market for his product in the event he finds it and produces it. In other words, the Government does not have to assume a single risk in the matter of domestic purchases of these strategic raw materials. What they should do and no doubt will do is to place orders for their needs at such prices as they are willing to pay and the producer is willing to take, and then the producer simply takes his Government order to his banker and on that order and the faith of the banker in his customer and his Government, he advances to the businessman the money necessary for working capital and production costs, and the producer then retires his loan from profits made. In that way the private banker furnishes the money for development and the Government pays for what it gets and nothing more. Therefore, I think that the matter of trial orders which this bill would authorize, if adhered to by those who administer it in the spirit in which the Congress intended it, will be a great boon to the production of domestic materials of this kind.

One thing on the question of the amount of money authorized by this bill, and I feel that it is unnecessary to discuss it because the bill will pass with the provision in it, but that is merely this: We do not know whether war will begin tomorrow or next day or 6 months or next month or this year or next year. It may be that the War Department and the Navy Department will need more money 3 years from now than they need this year. It might be that they will need more money next year than 4 years from now, and I think our committee has wisely provided for a lump-sum authorization in the maximum amount of \$100,-

000,000, and that the House Committee on Appropriations and the President, through the Director of the Budget, will be able to control the situation, and instead of having too much money one year and not enough another year we will have the proper amount, and if an amendment should be offered I think it would be wise to leave it as it is.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes, gladly.

Mr. CASE of South Dakota. I was going to point out the very thing that the gentleman has mentioned, and also point out if the amount were reduced and 2 years from now it is found that we should make a larger purchase, the hands of the Appropriations Committee and the President would be tied.

Mr. MAY. That is correct, and time can only tell what the requirement will be, and the Committee on Appropriations will have ample latitude to provide what we need when we need it.

Mr. DONDERO. Over how long a period is it expected that this amount will be sufficient?

Mr. MAY. If we have any war at all we are liable to have it within the next 4 years, and the bill will provide for an amendment which the committee will offer for the use of this material within a period of 4 years, beginning with the 30th of June 1939, and ending with the fiscal year 1943.

Mr. DONDERO. Four years then.

Mr. MAY. Four years is the time. One other thing, and I am through. I want to say this to the minority side of our committee. Of course, they are all Republicans, and on the other side they are all Democrats. I suppose they are not to be blamed for being Republicans, and we are not to be charged with blame for being Democrats. But at no time since I have been chairman of the Committee on Military Affairs have I ever discovered the slightest effort on the part of any one of the minority to obstruct the proper procedure of the committee. They are helpful and cheerful under all circumstances; and since the gentleman from Missouri [Mr. SHORT], the orator of the Ozarks, had occasion to say some very flattering things about me, I say in reply that when we are in committee, and when we get into a little trouble, he always turns up as a ray of sunshine and gladness. He has always some happy joke that he can tell to get us off our troubles. He is always resourceful, so that on the one side I have my colleagues politically when I sit at the head of the committee, and I have a strong right arm, but I also have a strong left arm in the person of the minority members of my committee. I am happy to be here this afternoon for the finish of this bill, and I am delighted to close the debate with this statement.

Mr. Chairman, I yield back the remainder of my time and ask for the reading of the bill.

The Clerk read as follows:

Be it enacted, etc., That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country, it is the policy of Congress and the purpose and intent of this act to provide for the acquisition of stocks of these materials and to encourage the development of mines and deposits of these materials within the United States, and hereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these commodities in times of national emergency.

Mr. DIMOND. Mr. Chairman, I move to strike out the last word. I am moved to address the committee briefly today by reason of one statement contained on page 5 of the report of the bill, which reads as follows:

There is no domestic production of tin.

That is a broad statement, and unfortunately the committee was not well informed as to the domestic production of tin. There has been some domestic production of tin in the Territory of Alaska ever since about the year 1900, and by referring to the reports of the United States Geological Survey I find that the domestic production of metallic tin in Alaska in 1937 amounted to 166 long tons and in 1938 to 102 long tons. I have prospected in the Territory of Alaska

for a great many years; and while I never spent any considerable time in the district that contains tin, I know there is a vast region in the Territory of Alaska more than 100 miles wide and approximately 800 miles long in which placer cassiterite, small portions of tin ore, can be found in some of the creeks within every 50 miles, and in some districts considerable quantity of this tin ore can be found mixed with gravel and other creek-bed material.

Mr. MURDOCK of Utah. Mr. Chairman, is it not a fact that every important mineral and metal discovery in Alaska has been made by prospectors?

Mr. DIMOND. Oh, yes; in fact, no discoveries are likely to be made otherwise.

Mr. MURDOCK of Arizona. We have been told that Alaska is the great treasure house of the United States. I suppose the gentleman intends to speak of nickel and perhaps some of the other strategic metals.

Mr. DIMOND. We have good reason to believe that we may be able to develop enough nickel in Alaska to supply a large part of the needs of the Nation for nickel. That is a large order, but I make the statement after consideration. There is at least some probability that we have that much nickel in Alaska.

But what I wish to speak about is tin. Alaska is one place under our flag where there is at least more than a fair chance to develop an adequate national supply of tin. Let me repeat that there is an area in Alaska extending from Tin City on Bering Strait, 800 miles approximately eastward to the boundary of Canada, and tin ore can be found in the gravels of many of the creeks all along this region.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. LUTHER A. JOHNSON. The Foreign Affairs Committee of the House held exhaustive hearings several years ago on the subject of tin, making an investigation as to its production in this country, and also from whence it came, because of the fact that the United States consumes more than half the tin used in the world; yet we found no place in the United States where it was produced. Have there ever been made any tests of this tin in Alaska?

Mr. DIMOND. Yes. In the year 1937 Alaska produced about 166 long tons of metallic tin; in the year 1938 about 102 long tons. There is capacity for indefinite expansion of our production of tin in the Territory. The one thing that ought to be done by the Congress is to appropriate sufficient money to adequately explore the tin resources of Alaska. That is what I suggest now.

Mr. FADDIS. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. FADDIS. I am firmly convinced that there are extensive deposits of cassiterite of tin in Alaska that could well be worth mining. I have been trying to get some people interested for the last 4 years in the matter, but I have been unable to do so. They claim it is too far away, and so forth. I agree with the gentleman. I believe there are valuable deposits there.

Mr. DIMOND. Mr. J. W. Farrell, of Hot Springs, Alaska, who is extremely well informed on the subject, sent me some time ago a statement which he wrote concerning the occurrences of tin ore in the placers of Alaska from which I quote the following, believing that it is accurate and not an overstatement:

The exploitation of tin on the Seward Peninsula has been carried on more or less since the beginning of the century. Reports of geologists and prospectors indicate that stream tin is dominant throughout the peninsula. In the Cape York, Port Clarence, and Kougarok mining districts tin has been found in commercial quantities and has been mined desultorily for the last 35 years. Repeated interruptions in its production have been caused solely on account of the market price. It is the old story again: We cannot compete with foreign products, with their cheap wages and low standard, unless we are subsidized or protected. It is in the York district where the most tin is mined. It is only those deposits of easy access and economically situated that can be made to pay under the existing conditions.

YORK DISTRICT

Near Tin City in the Cape York district a dredge was operated for the recovery of tin alone. It has been in disuse now for many

years, not because of the lack of tin ore to dig, for there are vast tracts of it, but the market price of the product did not justify continuing its operation. In this district tin has been found in the lode or bedrock source also. But owing to the great expense of exploration work on quartz prospects, especially on a metal of such low value, prospectors were not interested.

RUBY-POORMAN AREA

Eastward from the Seward Peninsula is the Ruby-Poorman mining district. Tin occurs in most all of the placer gold creeks in this camp. Only in a few instances has there been tentative shipments of tin to the market. There is, however, in this district many tributaries of the Sulatna River that throw more tin than gold, and the tin content is of sufficient quantities to be a prolonged producer if the price were right.

Further eastward again is the Gold Hill mining district. Grant Creek and Mason Creek are said to contain large deposits. These two creeks will soon be in placer-gold production on a big scale. Whether it will justify the operators to save the tin it remains to be seen.

HOT SPRINGS TIN

Next comes the Hot Springs mining district. This camp and the Cape York district have been the greatest units in producing over a million dollars' worth of tin for the world's market. Please note, I say "world's market" for our big Nation has no market. In the Sullivan-Tofty area of this district placer-gold mining is being carried on of late with modern mechanical equipment. Last season this section was a big factor in the output of the Territory. Over tracts of placer ground that will be worked drill holes show that the tin content is more constant than the gold.

The estimate of the tin values in this area run into the millions. Whether the operators will make any special effort to recover the tin or let it be swept away into the tailings is problematical.

IN OTHER AREAS

The cassiterite pebble occurs in the Rampart district, in the Tolovana and the Faith-Hope-and-Charity country. It is found in the Circle diggings and the Forty Mile country right up to the international border.

Between the sixty-fourth and sixty-sixth parallels and from the border to Cape Prince of Wales, approximately 800 miles as the crow flies, embraces a vast area of territory that can really be called a "tin belt."

There are many other localities outside of this belt that give great promise in potential tin resources. Among them are the Tolstoi, in the Ophir mining district; the Reglagalik River, in the Kuskokwim delta; and on Cache Creek and Willow Creek, tributaries of the Susitna River.

So, Mr. Chairman, I earnestly urge that for promotion of the aims of national defense—and national defense is the purpose of the bill now under consideration—the Congress would do well to appropriate at least \$500,000 for the sole object of making a thorough, detailed, and scientific investigation of the tin resources of Alaska, for it may well be that Alaska alone can produce all of the tin needed by the Nation. In this connection it may be in order to observe that, so far as my knowledge goes, no tin ore has been found in place in Alaska, except, possibly, in slight quantities. The broken ore is found in relatively small particles or pebbles mixed with the stream gravels of the rivers and creeks in many parts of all of that vast region described by Mr. Farrell. Where so much broken and water-washed ore is found in the gravels it is highly probable that a search might reveal the source of the ore in the lodes. The amount of money required for a thorough prospecting of the region in which the principal tin occurrences are found is relatively insignificant. The possible beneficial results of such an examination are well-nigh incalculable.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. SHANLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, naturally with the gentleman from Texas [Mr. LUTHER A. JOHNSON], I welcome this addition to our tin information. I hope the distinguished Delegate from Alaska will amplify his statement and give to us his idea of what can be done in there.

May I say that I vouchsafe the hope that in dealing with these World War debts, those nations who have an opportunity to send those materials to us may remember the striking words of our President in his war-debt message of June 13, 1934, that those nations must make "substantial efforts" and "determined sacrifices" to pay us those debts; and that we were to view the use to which they utilize their national resources in paying. If they do that, I believe the American people will have a warmer respect for them, be-

cause the implications of that war-debt speech ought to be an illustration to those nations that owe us money. They can do something for us now, and now is the time to do it. [Applause.]

That may be the moral for foreign nations, but notwithstanding their final attitude, we must make the most of this great bill H. R. 5191, which has had the support of its sponsor, the gentleman from Pennsylvania, Representative FADDIS, and the assistance of my own colleague from Connecticut, Representative JOSEPH J. SMITH, in its novel history. The contribution of the Military Affairs Committee in their studies and deductions on this subject—the acquisition and storage of strategic and critical materials to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency—is an epochal one.

The committee on which I have the honor to serve has made an exhaustive kindred study into the supply of tin. The efforts of both of these committees means much for national defense.

It might be well to place in the record at this point a study on World Resources by Stuart Chase in his thoughtful and arresting book *Rich Land, Poor Land*:

If we had intelligence enough to maintain a world raw-material control, many of the reasons for modern wars would evaporate and concern about minerals would be greatly lessened. Each nation would know that it would receive its fair share of the available world supply. Meanwhile the United States and Russia have far more resources within their own boundaries than other nations have. The British Empire can almost match them, but the Empire depends on the navy and on long roads of transport. Brooks Emeny has identified 19 minerals and 3 agricultural products as of paramount importance in war. They are: Coal, iron ore, petroleum, copper, lead, nitrates, sulphur, bauxite, zinc, manganese, nickel, chromite, tungsten, potash, phosphates, antimony, tin, mercury, mica, cotton, rubber, wool.

Let us note how well the seven great powers are supplied with these, including colonial possessions and regions of control, as well as home territory.

The United States is short of rubber and somewhat short of chromite, antimony, and tin.

Russia is short of rubber, antimony, tin, tungsten, and is not too well provided with nickel and bauxite.

Great Britain (including the Empire) is short of mercury, antimony, and potash, and needs more petroleum, sulphur, cotton, and phosphate.

Germany needs petroleum, copper, cotton, bauxite, rubber, manganese, nickel, chromite, tungsten, wool, phosphates, antimony, tin, mercury, mica, and some lead, sulphur, and zinc. Indeed, all she is sure of are coal, iron, nitrates, and potash. The reason for Hitler becomes plainer.

France requires petroleum, copper, cotton, zinc, rubber, tungsten, wool, tin, mercury, and some lead, sulphur, manganese, phosphate, and mica. She is sure only of coal, iron, nitrates, bauxite, nickel, chromite, potash, and antimony.

Italy is short of everything except iron, lead, nitrates, sulphur, bauxite, zinc, and mercury. She is totally without petroleum, cotton, rubber, nickel, chromite, tungsten, phosphate, tin, and mica. The Ethiopian adventure becomes plainer.

Japan is short of everything but coal, iron, copper, nitrates, sulphur, chromite, tungsten, and mica. She entirely lacks bauxite, rubber, nickel, and wool. The invasion of Mongolia and China is rationalized if not defended.

Japan has none of the 22 essentials to export; Italy has sulphur, zinc, and mercury; Russia petroleum, manganese, and tungsten; France, iron ore, bauxite, and phosphate; Great Britain, coal and nitrates; Germany, coal, nitrates, and potash. The United States exports coal, petroleum, copper, sulphur, cotton, zinc, and phosphates.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

Mr. MAY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

On page 2, line 2, strike out the word "hereby" and insert the word "thereby."

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. To effectuate the policy set forth in section 1 hereof the Secretary of War, the Secretary of the Navy, and the Secretary of Interior, acting jointly through the agency of the Army and Navy Munitions Board, are hereby authorized and directed to determine which materials are strategic and critical under the provisions of this act and to determine the quality and quantities of such materials which shall be purchased within the amount of the appropriations authorized by this act. In determining the materials which are strategic and critical and the quality and

quantities of same to be purchased the Secretaries of State, Treasury, Interior, and Commerce shall each designate representatives to cooperate with the Secretary of War and the Secretary of the Navy in carrying out the provisions of this act.

SEC. 3. The Secretary of War and the Secretary of the Navy, when they deem such action appropriate, shall direct the Secretary of the Treasury, through the medium of the Procurement Division of his Department and from the funds authorized by the provisions of this act, to make purchases of such materials in accordance with specifications prepared by the Procurement Division of the Treasury Department and approved by the Secretary of War and the Secretary of the Navy and to provide for the storage and maintenance and, where necessary, to prevent deterioration, for the rotation of such materials. To accomplish such rotation the Secretary of the Treasury, with the approval of the Secretary of War and the Secretary of the Navy, is authorized to replace acquired stocks of any material subject to deterioration by equivalent quantities of the same material by such method as he may deem serves best the purposes of this act. The Secretary of the Treasury is empowered to meet, out of the funds authorized in this act, expenses necessary to accomplish this rotation. The commodities so purchased shall be stored by the Procurement Division of the Treasury Department on military and naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy.

SEC. 4. Materials acquired under this act except for rotation to prevent deterioration shall be used only upon the order of the President in time of war, or when he shall find that a national emergency exists with respect to national defense as a consequence of the threat of war.

SEC. 5. For the procurement, transportation, maintenance, rotation, and storage of the materials to be acquired under this act, there is hereby authorized to be appropriated the sum of \$100,000,000, out of any money in the Treasury not otherwise appropriated, during the fiscal years from June 30, 1940, to and including June 30, 1943, to be expended under the direction of the Secretary of War and the Secretary of the Navy: *Provided*, That any customs duties paid on such materials, imported from any place not included in the United States, as defined in section 401 (k) of the Tariff Act of 1930, as amended by section 2 of the Customs Administration Act of 1938, shall not be covered into the general fund of the Treasury of the United States, but shall be credited by the Secretary of the Treasury, to be available for expenditure until the expiration of the then next fiscal year: *And provided further*, That materials purchased under this act and imported shall be entered at the customhouse in accordance with regulations to be prescribed by the Secretary of the Treasury.

Mr. MAY. I offer a further amendment, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 4, in line 2, strike out the word "from."

Mr. MAY. Mr. Chairman, that is merely a clarifying amendment in order to perfect the language of the section.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAY. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

On page 4, in line 3, strike out "1940" and insert "1939."

Mr. MAY. Mr. Chairman, that is merely an amendment providing for the beginning at the end of the present fiscal year, making this act effective.

The CHAIRMAN. Without objection, the amendment is agreed to.

The amendment was agreed to.

Mr. MAY. Mr. Chairman, I offer a further amendment to the same section.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 4, line 16, strike out the period and insert a colon and the following: "And provided further, That purchases under this act shall be made in accordance with the Buy American Act of March 3, 1933 (47 Stat. 1520), and a reasonable time, in the judgment of the Secretary of War and the Secretary of the Navy, shall be allowed for production and delivery from domestic sources."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection, and the amendment was agreed to.

Mr. ALLEN of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Illinois: Page 4, line 1, after the words "the sum of", strike out the remainder of line 1, all of lines 2, 3, 4, and 5, to and including the word "Navy", and insert in lieu thereof "not to exceed \$10,000,000 out of any money in the Treasury not otherwise appropriated for each of the fiscal

years ending June 30, 1940, 1941, 1942, and 1943, to be expended under the joint direction of the Secretary of War and the Secretary of the Navy."

Mr. ALLEN of Illinois. Mr. Chairman, I talked considerably on this measure earlier in the day and shall be brief in my remarks on it at this time.

President Roosevelt has publicly stated that in his opinion \$10,000,000 would be sufficient to provide us this strategic and critical material. We do not need \$100,000,000.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PACE. Was not the President's statement to the effect that under the condition of the Budget and the Treasury \$10,000,000 was all he could approve for the coming fiscal year? The gentleman can cite no instance in which the President has gone contrary to the recommendations of the War Department.

Mr. ALLEN of Illinois. Has he recommended \$100,000,000?

Mr. PACE. He has not recommended any amount; he has left that to the Congress.

Mr. ALLEN of Illinois. Another body as well as the President recommended \$10,000,000. It seems to me, Mr. Chairman, we would do well to adopt this amendment and spend a portion of this \$10,000,000 developing our own resources of these strategic materials in this country. This would be working in a sound and intelligent manner. We are continually hearing in this country about the superiority of German airplanes and their greater speed as compared with our Army planes. I think the United States Government has been derelict in not providing more research work. Each month we appropriate many millions of dollars to prepare our Army, our Navy, and our air force in order that we may be in better position in the event of war, but let us not lose sight of the fact that one of the best preparations for war is to have the finances of the country in sound condition. I would say that in the event this country should find it necessary to go to war now with a debt of \$40,000,000,000, we would be under a handicap. I appeal, therefore, to the membership of the House, in addition to having a good army and a good navy, let us insist that we keep our Government finances in such condition that, should war come upon us, our country's credit will be unimpaired.

I ask and urge the adoption of this amendment, which, in my opinion—and, I believe, in the opinion of the administration and the Director of the Budget—will take care of the situation in an able manner.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel that it is unnecessary to discuss this amendment at length. I merely referred to it in general debate this afternoon by saying that it was the judgment of the Committee on Military Affairs that \$100,000,000 was the proper amount to be authorized in this legislation. This view is supported by the testimony of other witnesses from the War Department who appeared before the committee. There was no objection from any source to an authorization of \$100,000,000; on the other hand, it was agreed by everyone that this was the appropriate figure.

The President's attitude toward the measure was simply this: He made no statement in writing to anyone, at least to my committee, and I receive all of the communications that come from the President to the committee. The only thing that happened in this regard was that he was quoted in the press as having said that \$10,000,000 was about what the Government could afford during the next fiscal year in view of present fiscal affairs. Everyone understands, the gentleman offering the amendment understands, that the Bureau of the Budget through the House Committee on Appropriations will be able to control this section of the bill entirely, as to the amount of money that may be appropriated for any 1 of these 4 years.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. ANDREWS. It is true, however, that the Bureau of the Budget did not render a favorable report to the committee on the \$100,000,000 carried by the bill.

Mr. MAY. The Budget has made no recommendation about it, but the War Department has uniformly approved it.

Mr. FADDIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if we are going to legislate on this question, we must legislate effectively. In this as in anything else, if we are to buy anything worth while we must pay for it. If we are to accumulate a stock pile we cannot do so on a shoestring.

Our average annual consumption of tin in this country is 60,000 tons. There has scarcely been a time in the last 20 years when we have had 2 days' supply of tin in the warehouses in New York on any day. If foreign sources were to be shut off to us, so far as the tin we have on hand at any one time is concerned, the tinplate industry, the canning industry, and all other industries to which tin is an absolute necessity would have to cease. Soon the very wheels of industry would cease because of the lack of tin for bearings.

The cost of 60,000 tons of tin today at the average price of tin over the last 20 years would be \$60,000,000. It is not contemplated under the terms of this bill to lay in a year's supply for we realize that would be impossible. To accumulate an average year's supply of manganese would cost in the neighborhood of \$20,000,000. Anyone taking these figures into consideration, figures on these two essential commodities alone, would realize that the President never made any statement that \$10,000,000 would be sufficient to supply these essential commodities in case of emergency.

The gentleman from Illinois, I am sure, spoke from a lack of information on the subject and probably from a lack of realization of the magnitude of the subject we are discussing today.

Mr. ALLEN of Illinois. Will the gentleman yield? He referred to me.

Mr. FADDIS. I yield to the gentleman.

Mr. ALLEN of Illinois. Was the gentleman from Illinois lacking in judgment when he said it is important for the financial condition of the country to be in good shape in the event we go to war?

Mr. FADDIS. No. Perhaps I should say the gentleman spoke from a lack of direct knowledge on the subject of the President's statement.

Mr. ALLEN of Illinois. How about direct knowledge on the fact that in order to go to war we should have our debt that we owe reduced down from \$40,000,000,000? Does the gentleman agree with that?

Mr. FADDIS. Mr. Chairman, it is the duty of the Congress, as I said once before, to pass legislation that it believes is sufficient to serve the country in time of need. No witness appeared before this committee in support of the legislation who believed that \$10,000,000 would be anywhere near enough for this purpose.

Mr. Chairman, for the reasons stated, I ask that the amendment offered by the gentleman from Illinois be defeated.

The pro forma amendment was withdrawn.

The CHAIRMAN (Mr. BOLAND). The question is on the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 43, noes 72.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. In the acquisition of stocks of materials, as herein authorized, the agency charged with the duty of acquiring the same shall, as to the materials acquired outside the United States—

(a) Request the appropriate department or departments to undertake the acquisition of the same from those nations which are indebted to the United States and which will consent to credit the agreed purchase price on the principal of such indebtedness; and

(b) Further request the appropriate department or departments to undertake the acquisition of the same from those nations which

will consent to exchange such materials for surplus agricultural commodities produced in the United States: *Provided*, That the acquisition of such material shall not be delayed on account of the negotiations undertaken under paragraphs (a) and (b) of this section.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: On page 5, line 4, after the word "commodities", insert "or manufactures of agricultural commodities, or both."

Mrs. ROGERS of Massachusetts. Mr. Chairman, there are provisions in this bill that irritate many of us when we think of the number of nations that owe us money and have never paid the debts they accumulated during the World War. They might at least pay their debts in part by giving us these raw materials. However, it is very apparent they are not being made to do that.

I sincerely hope the Members will vote for my amendment, which is a very simple one. It provides that manufactured articles made from our surplus agricultural commodities shall be exchanged for raw materials. We have today millions and millions of people unemployed. This amendment would give employment to those working in industries, such as cotton and woolen textiles, the boot, shoe, and other industries. It would also take up the surplus agricultural commodities.

I do not see how this amendment can be defeated when it would give so much employment to the people of our country. It would mean added purchasing power to the industrial workers, which would enable them to buy more farm products. It would take care of the surplus agricultural commodities and thus give work and money to people in the agricultural sections.

Mr. SMITH of Connecticut. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Connecticut.

Mr. SMITH of Connecticut. Would the gentlewoman have us provide in this bill for a method of acquisition of these manufactured commodities by the Government or their manufacture by the Government in order to obtain them for this barter?

Mrs. ROGERS of Massachusetts. I do not see why the departments could not purchase them. This bill, in section 5, provides the sum of \$100,000,000 for procurement, transportation, and so forth, to be acquired under this act. We could use the W. P. A., then refund the money to the W. P. A. That agency has already bought materials. There is a branch of the Treasury Department that buys certain surplus commodities, and I do not see why they could not buy manufactured products also. I think this could be easily arranged under existing law, temporarily at least, then, if necessary, have this bill changed later when the appropriation goes through.

Mr. SMITH of Connecticut. As a permanent policy for international trade, does not the gentlewoman believe we should have considerable more legislation than merely an amendment inserted in this military reserve bill, which is intended only to provide the war materials which we lack?

Mrs. ROGERS of Massachusetts. It looks to me like a bill to sell cotton. Why not sell the manufactured articles also? I think our unemployment is an emergency and this is an emergency measure. I feel it ought to be inserted in the bill and I hope the Members will vote for it. Many of you have industries in your district which would be affected. The workers in industry will be given employment and you will be taking care of your surplus agricultural commodities as well. I cannot see why it is not an excellent amendment, and I earnestly hope it will be agreed to. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentlewoman from Massachusetts may be reread by the Clerk.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again reported the Rogers amendment.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Massachusetts.

Mr. Chairman, instead of this amendment having the effect of getting rid of a million bales of cotton, let us say, we would probably get rid of about 50,000 bales. As I stated the other day, the cotton farmer gets \$40 for a bale of cotton. When it is manufactured into shirts it is worth from \$1,000 to \$2,000. The figures furnished me by the Department of Agriculture show that the finished product often sells for 25 times the price of the raw product. If the amendment offered by the gentlewoman from Massachusetts is agreed to, so far as cotton is concerned, we would get rid of only a handful of cotton.

In regard to wheat, I do not know what the lady proposes to do unless she proposed to make it into flour and then sell it in that form. I do not have the figures here, but I know the Department of Agriculture considers flour as in the same category as wheat, and under the recent subsidy flour was subsidized the same as was wheat. However, the main trouble is that the amendment is not practical because there is no fund available for the purchase of manufactured agricultural surpluses, but we do have a fund, fortunately, handled by the Surplus Commodities Corporation, to buy surplus agricultural commodities, but not surplus manufactured commodities.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. PACE. Of course.

Mrs. ROGERS of Massachusetts. Why could not some of the \$100,000,000 authorized by this bill be spent in buying manufactured materials? I do not see why this feature is not covered in the bill.

Mr. PACE. Of course, if we did that, we would not get very much material, if we had to spend most of the money in the manufacture of the commodity.

Mrs. ROGERS of Massachusetts. I believe the added employment in the industries would mean a great deal. The additional employment would mean added purchasing power also.

Mr. PACE. I appreciate the lady's interest in employment; but this is the situation with which we are now confronted: There are 32,000,000 farmers in this Nation. Last year their total income was about \$8,000,000,000. There are approximately 40,000,000 wage earners in this country, and last year their total income was between thirty-five and forty billion dollars. Thus a third of the population is getting only \$8,000,000,000 of income. Would not the lady consent for us to sell some of our commodities without burdening them by increasing the cost from 10 to 25 times in the course of manufacture?

Mrs. ROGERS of Massachusetts. The gentleman knows perfectly well that even when the farmers do not sell all their products they still have enough to eat, but when those living in the industrial sections do not have employment they do not have enough to eat and they lose their homes, which is not the case with the farmers. I want to help these workers. I am asking that you give the industrial workers in the mills and in the shoe industries a chance.

Mr. PACE. May I say to the good lady that she now has the protection of a very fine tariff wall and that that tariff is being paid by the farmers of this Nation.

Mrs. ROGERS of Massachusetts. I believe the gentleman forgets that many agricultural commodities also are protected.

Mr. PACE. No. We are told that if we increase the protection on our agricultural commodities we will get a veto. That is the situation which faces us.

Mrs. ROGERS of Massachusetts. But you are already protected in certain commodities. I do not have the figures with me, but I know you have protection on many of your agricultural commodities.

Mr. PACE. We have a very small tariff on jute, and jute products today are displacing 2,300,000 bales of cotton. That

is the kind of protection they give us in the agricultural sections.

The plan proposed by the pending amendment will increase the cost from 10 to 20 times, so I appeal to the lady, why not let the provision stand and let the exchange be made if it can be done? The lady knows no manufactured commodities are going to be exchanged.

Mrs. ROGERS of Massachusetts. They could be perfectly well. For instance, Russia would be very glad to have our manufactured products.

Mr. PACE. I cannot debate that question with the lady because I do not know to what she is referring.

Mrs. ROGERS of Massachusetts. Russia would be glad to get clothing, and so forth. It seems to me it is only a question of justice. You shut our workers out of this bill and you help the farmers alone. I am only asking for justice for the workers.

Mr. PACE. I understand and appreciate the deep and active interest always shown by the gentlewoman from Massachusetts in the wage earners of her district, and she more than earns the splendid support they have given her through the years, but in this instance I believe they would realize a substantial benefit and more constant employment by unselfishly contributing toward an improvement of the economic condition of the 32,000,000 Americans who must depend upon the returns from agriculture for their income.

I, too, feel a very deep interest in the wage earners. I want to have some part in improving their standard of living and working conditions, but I know that we make no real progress when we try to aid one group or class at the expense of another group or class. On the contrary, I am convinced that our farm population is the best market for your manufactured goods. Around 90 percent of the manufactured articles sold in my district in Georgia are shipped from Massachusetts and the other industrial States of the East. Our work is on the farm. We have no plants to manufacture automobiles, refrigerators, radios, shoes, hats, pistols, guns, shells, and thousands and thousands of other articles found in every mercantile establishment in my State. The wage earners of the industrial States manufacture those articles and the income we receive for our cotton, peanuts, watermelons, peaches, and tobacco is all we have to buy with.

We now have nearly 17,000,000 bales of cotton on hand. Unless we can get rid of millions of bales, not merely thousands, we will not be able to sell our new crop this fall, and we will not be able to buy your manufactured goods.

Mr. Chairman, I urge that this amendment be disagreed to.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am inclined to believe that the gentlewoman from Massachusetts [Mrs. Rogers] has made a very sound proposal, but I do not believe that it has the slightest chance of being adopted because it defeats the purpose of the bill. The purpose of the bill is to get rid of some of the surplus cotton. Under the New Deal the cotton States have been given the kiss of death. The price of cotton has gone down to 8½ cents, and we have lost half our cotton export trade. The Government now holds about 11,000,000 bales of cotton on which it has made loans, and very large sums are being paid for the storage of these bales of cotton. So the real purpose of the bill is to unload this cotton, and that is why they do not want the manufacturing interests of the North to come under this bill. The purpose of the bill is to unload the cotton of the South and the wheat of the West under the camouflage of exchange for war materials. The program of destruction and scarcity and plowing under of crops and birth control of pigs has, by establishing artificial prices, destroyed the foreign markets for our surplus wheat and cotton.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a very important question; yes.

Mr. THOMAS F. FORD. Does the gentleman believe we should not unload the cotton, disregarding the fact that we have plowed some under?

Mr. FISH. I should be very glad to help the cotton people, as I have always said, but the only way I know of helping the cotton people is to elect a Republican President, and the quicker you do that the better. [Applause.] Unless you instill confidence in the people of this country, you will not have buying power and the cotton people will continue to go down and down and down. I want to remind you that before Mr. Hull brought in his free-trade hallucinations cotton under the Republican administrations from 1920 to 1930 sold at 17½ cents a pound.

Mr. BROOKS and Mr. THOMAS F. FORD rose.

Mr. FISH. I yield to one of the cotton experts of the House, the gentleman from Louisiana.

Mr. BROOKS. I should like to ask the gentleman if he makes the statement that the fundamental purpose of this bill is to help the cotton farmers with the full knowledge that his colleagues on the Republican side of the committee supported the bill.

Mr. FISH. My Republican colleagues are just like me, they want to help the rest of the country, too.

We cannot have a prosperous country, we cannot have our people employed if there is no buying power in the South to buy what we produce up north. We are interested just as you are and we have to have a prosperous people if we are to have prosperity north, east, south and west.

Mr. THOMAS F. FORD. How are you going to have a prosperous country if you are going to oppose a measure that will dispose of a great share of the surplus cotton and wheat?

Mr. FISH. The only way is to stop putting it within the power of these New Deal wand wavers and magicians who have given the kiss of death to the cotton growers of the South.

Mr. THOMAS F. FORD. That is nonsense, and you know it.

Mr. FISH. It is not nonsense, and you know it is not. It is just ordinary common sense and that is what the country needs. Cotton is selling at 8 cents or 8½ cents a pound, and if you think we can have a prosperous South with cotton selling at 8½ cents a pound and with 11,000,000 bales held by the Government, you know it is nonsense.

Mr. THOMAS F. FORD. That is just plain nonsense and nothing else.

Mr. KNUTSON and Mr. JOHNSON of Oklahoma rose.

Mr. FISH. It is economic suicide; and if that is nonsense, all right. I want to yield to my adviser on cotton from the State of Minnesota.

Mr. KNUTSON. We can qualify all right. The gentleman from New York might have replied to the gentleman from California that we are not going to restore prosperity by continually giving the American market away to foreigners.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. FISH. Here is another cotton man from Florida, and I would like to hear from him.

Mr. GREEN. In the last 2 years of President Hoover's administration we received 4 and 5 cents a pound for good lint cotton.

Mr. FISH. Well, that is tough, but only in the last year, when there was a world economic depression.

Mr. JOHNSON of Oklahoma. That is too tough.

Mr. FISH. That is very tough, but that was only for 1932-33 when the banks were closed, but at the same time in the last 2 years that you mentioned we were shipping 9,000,000 bales of cotton abroad, and we retained the European and world markets on cotton. You have succeeded in losing half of that market, only selling 4,000,000 bales, and you have the price down now to 8½ cents, and where it will go I do not know. [Applause.]

Mr. GREEN. It is 3 cents more than it was then, and 3 cents is better than nothing.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

SEC. 7. That the Secretary of the Interior, through the Director of the Bureau of Mines and the Director of the Geological Survey, is hereby authorized and directed to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions which are essential to the national defense or the industrial needs of the United States, and the quantities or grades of which are inadequate from known domestic sources, in order to determine and develop domestic sources of supply, to devise new methods for the treatment and utilization of lower-grade reserves, and to develop substitutes for such essential ores and mineral products; to explore and develop, on public lands and on privately owned lands, with the consent of the owner, deposits of such minerals, including core drilling, trenching, test-pitting, shaft sinking, drifting, crosscutting, sampling, and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which the minerals or metals may be produced.

For the purposes of carrying out the provisions of this section there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, for each of the fiscal years ending June 30, 1940, 1941, 1942, and 1943, the sum of \$500,000, of which amount \$350,000 shall be appropriated to the Bureau of Mines and \$150,000 to the Geological Survey.

Mr. MURDOCK of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Utah: Page 6, line 11, after the period, insert "There is also authorized to be appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1940, the sum of \$50,000, to be allotted to prospectors for prospecting the public lands for the strategic and critical materials under rules and regulations to be promulgated by the Bureau of Mines."

Mr. MURDOCK of Utah. Mr. Chairman, I am speaking for the group of men this afternoon who have discovered, in my opinion, every important mineral or metal deposit in the United States, and that is the American prospector.

We are authorizing appropriations here today of \$100,000,000 to buy strategic materials, most of which will go to foreign countries. Then we are authorizing the appropriation of \$500,000 to be expended by the Bureau of Mines and the Geological Survey for the exploration and development of strategic materials on public lands and also on private lands. I am for this bill, now that it has been amended to encourage domestic development and production, and shall vote for it. But I make the statement, Mr. Chairman, that if and when additional deposits of these strategic metals or minerals are found within the United States or found in Alaska, they will be found by the prospector.

The American prospector is a class that has never had any subsidy from the American Government. They are not eligible for any relief money that we have appropriated, either under P. W. A. or W. P. A., that is, to finance them in prospecting activities.

All my amendment would do is this. It would authorize \$50,000 to be allotted to American prospectors to grubstake them, to enable them to go out into the unexplored portions of America and prospect for tin, tungsten, manganese, and other strategic metals or minerals in places which have never even been looked at yet. The Bureau of Mines and the Geological Survey will carry out their functions as provided for in this bill in a very efficient and comprehensive manner, but if you find any new deposits you must depend on the American prospector to go out where no other man will go and find those new deposits. His business is prospecting the remote, inaccessible places, where others fear to tread.

Fifty thousand dollars, if appropriated to the American prospectors, would put 1,000 of them out into the field with a \$50 grubstake, which is enough to maintain him out there for 3 or 4 months.

If you want to spend some money that will show results, you can make no better investment at this time than to allot the small sum of \$50,000 to the American prospectors who want to go out and look for these minerals.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. Yes.

Mr. MURDOCK of Arizona. We have heard it said that mines are made and not found. There is a lot of truth in that, but does the gentleman not believe that this fact has been overemphasized to the neglect of this other fact of mining, that mines first must be found before they can be made? Western mining indeed owes very much to our courageous prospectors who comb our hills for hidden wealth. More power to them.

Mr. MURDOCK of Utah. There never was a mine made that was not first found, and very few have been found by anyone other than the prospector.

Mr. THOMAS F. FORD. Is it not true that the American prospector is the real American individual?

Mr. MURDOCK of Utah. Yes; that is true.

Mr. THOMAS F. FORD. And if we give him an opportunity to develop this in a small way with his initiative, will it not be true that he will develop more for \$1 than the average corporation would for \$50?

Mr. MURDOCK of Utah. That is very true. If you give him a grubstake and a jackass, he will find more strategic minerals, in my opinion, than any other group in the United States.

Mr. THOMAS F. FORD. And for that reason I believe the gentleman has the best amendment that has been offered on the floor this afternoon.

Mr. KNUTSON. And in view of what the gentleman from California [Mr. THOMAS F. FORD] has said that the prospector is the real American, does not the gentleman believe that we should leave one segment of our citizenship unspoiled?

Mr. MURDOCK of Utah. I do not say that he is the only true American, but I do say that he is the type of American who will go out on his own and prospect for these things, and the \$50,000 that my amendment would authorize would certainly be a step in the right direction.

Mr. THOMAS F. FORD. Mr. Chairman, I rise in support of the amendment. The gentleman from Utah [Mr. MURDOCK] has just made a very significant statement. He asked for an opportunity for the prospector to go out and develop essential minerals for the United States. I know those old prospectors. I know what they do. They go out and work for years and years and years. Some of them never get any place, but about 10 percent come in with a claim or discovery that enriches the United States millions and millions of dollars in the end, and it is my opinion that any appropriation that we make or any concession that we give them is worth 100 times what we expend. For that reason I hope that the Members of the House will support the amendment of the gentleman from Utah.

Mr. SCRUGHAM. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Utah. In the western part of the United States there are vast areas covered more or less with lava flow underneath which there probably lie, undoubtedly do lie, large deposits of valuable minerals. At this time they are practically unprospected because of the lack of grubstaking—the lack of an agency that would support the prospector in the field. If this is done, I assure the Members of the House that there is a virgin territory and literally hundreds of thousands of square miles where comparatively little prospecting has been done, and with the aid of modern equipment and scientific knowledge of these domestic strategic materials you are likely to be many times repaid for the investment made.

Mr. CASE of South Dakota. And is it not a fact that \$50 to grubstake the prospector for 2 or 3 months would be a much cheaper way of keeping him than on relief?

Mr. SCRUGHAM. Absolutely.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment. I do not wish to take issue with the able gentlemen from the mining communities, but I happen to have

had a little experience with prospectors, as probably many of you have had.

I know that in the mountains of southern California there are a great many prospectors who are living in cabins and holes in the wall out in the desert countries, and they are living largely on the grubstakes they have obtained from citizens in the cities. Out along the well known metropolitan aqueduct there are probably several thousand prospectors living in tents, cabins, and what not, who will go into the city of Los Angeles, for example, and sell rights or interests in whatever they might find. As a matter of fact, the metropolitan water district has discovered through 96 miles of 16-foot tunnel there are not 18 inches of mineral-bearing rock in the whole district; yet I will wager that much more than \$50,000 a year is handed to these various prospectors out along this same mountain territory. A prospector financed by the Government, who locates a claim, is not likely to turn it over to the United States Government. If he cannot do anything else, he is likely to set a rock on it so that a friend of his can find it and himself lay out a claim. I do not see that there is any reason whatsoever for grubstaking prospectors when at the present time they have every opportunity in the world to go into the cities and get what money they need.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. THOMAS F. FORD. The gentleman says that on that great metropolitan district aqueduct there has not been any metal discovered?

Mr. HINSHAW. Right.

Mr. THOMAS F. FORD. But the gentleman understands they have gone through only about five mountain chains?

Mr. HINSHAW. Ninety-six miles of crosscutting of the various veins in southern California.

Mr. THOMAS F. FORD. But do you know and are you willing to say that 2 or 3 or 4 percent of the prospectors who have discovered valuable claims have not produced wealth 10 times or 20 times in excess of the wealth that has been given to them as prospectors or as grubstakes?

Mr. HINSHAW. I would not say it was as high as 2 or 3 or 4 percent. I would say about one-half of 1 percent; and I would say the amount of wealth they have discovered was enormous, and if they did not keep it for themselves they sold it to somebody else for practically nothing.

Mr. THOMAS F. FORD. But it is more than 100 percent of the amount they put in.

Mr. HINSHAW. That might be true, but I do not see how the United States can recover a dime from this \$50,000 proposed in this amendment.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. KITCHENS. About how many prospectors are there?

Mr. HINSHAW. I think several thousand of them.

Mr. KITCHENS. And I suppose this \$50,000 would give each of them about 50 cents?

Mr. HINSHAW. About 50 cents each, and it would not amount to anything.

Mr. MURDOCK of Utah. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MURDOCK of Utah. I made this amount small for that specific purpose, but it would do this: If you would allot \$50 each for a grubstake to 1,000 prospectors you would have that many men out in the hills. The answer to the gentleman on this relief proposition in this: When you force them to go into the cities and out of the hills and depend on relief, you destroy the very thing that we would do by this amendment. What I want to do is to give them a grubstake and get them back into the hills where they belong.

Mr. HINSHAW. I will say to the gentleman there is hardly a real prospector in the United States who cannot go into a big city and get anything he wants.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. THOMAS F. FORD. The point is this: There are probably ten or fifteen thousand prospectors in the Western States.

Mr. HINSHAW. At least. I am a prospector, potentially.

Mr. THOMAS F. FORD. And 90 percent of them have been financed by individuals?

Mr. HINSHAW. Right.

Mr. THOMAS F. FORD. I will venture this prediction—

Mr. HINSHAW. And 98 percent of the individuals have been suckers to do it.

Mr. THOMAS F. FORD. I will venture this prediction, that they have produced more wealth in the way of minerals than all the money that they have invested, plus 100 percent.

Mr. HINSHAW. And who got the wealth? [Laughter and applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. MURDOCK].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. RAYBURN] having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 5191, pursuant to House Resolution No. 173, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of S. 572, to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the further development of strategic and critical materials within the United States for common defense, a similar Senate bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the natural resources of the United States in certain strategic and critical materials being deficient or insufficiently developed to supply the industrial, military, and naval needs of the country for common defense, it is the policy of Congress and the purpose and intent of this act to provide for the acquisition of stocks of these materials, to encourage the further development of mines and deposits of these materials in the United States, and to decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency.

Sec. 2. To effectuate the policy set forth in section 1 hereof the Secretary of War and the Secretary of the Navy acting jointly through the agency of the Army and Navy Munitions Board are hereby authorized and directed to determine which materials are strategic and critical under the provisions of this act and to determine the quality and quantities of such materials which shall be purchased within the amount of the appropriations authorized by this act. In determining the materials which are strategic and critical and the quality and quantities of same to be purchased the Secretaries of State, Treasury, Interior, and Commerce shall each designate representatives to cooperate with the Secretary of War and the Secretary of the Navy in carrying out the provisions of this act.

Sec. 3. The Secretary of War and the Secretary of the Navy when they deem such action appropriate because the domestic supply of any of the above materials is insufficient to meet the industrial, military, and naval needs of the country shall direct the Secretary of the Treasury through the medium of the Procurement Division of his Department, from the funds authorized in section 6 of this act, to make purchases of such materials in accordance with specifications prepared by the Procurement Division of the Treasury

Department and approved by the Secretary of War and the Secretary of the Navy, and to provide for the storage and maintenance and, where necessary to prevent deterioration, for the rotation of such materials. To accomplish such rotation, the Secretary of the Treasury, with the approval of the Secretary of War and the Secretary of the Navy, is authorized to replace acquired stocks of any such material subject to deterioration by equivalent quantities of the same material in such manner as he deems will best serve the purposes of this act. The Secretary of the Treasury is authorized to pay the expenses necessary to accomplish such rotation out of the funds authorized in section 6 of this act. The Secretary shall include in his annual report to Congress a detailed statement of expenditures made under this section and the method of rotation employed. The commodities so purchased shall be stored by the Procurement Division of the Treasury Department on military and naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy.

SEC. 4. Materials acquired under this act, except materials which must be rotated to prevent deterioration, shall be used only upon the order of the President in time of war, or when he shall find that a national emergency exists with respect to national defense as a consequence of the threat of war, or when he shall find and shall issue a proclamation that a state of emergency exists arising out of deficiencies in the supply of these commodities of such a character as to have a seriously adverse effect on the national defense, by unemployment, the closing of manufacturing plants and interruption in the supply of semimanufactured or manufactured commodities: *Provided*, That when the President finds that any material acquired under this act is not necessary to carry out the purposes of the act or that the quantity in possession is larger than is necessary, he may sell all or any part of such material. The proceeds of any such sale shall be allocated to and deposited in the fund herein provided for.

SEC. 5. Purchases under this act shall be made in accordance with title III of the act of March 3, 1933 (47 Stat. 1520), but a reasonable time (not to exceed 1 year) shall be allowed for production and delivery from domestic sources and in the case of any such material available in the United States but which has not been developed commercially, the Secretary of War and the Secretary of the Navy may, if they find that the production of such material is economically feasible, direct the purchase of such material without requiring the vendor to give bond.

SEC. 6. For the procurement, transportation, maintenance, rotation, and storage of the materials to be acquired under this act, there is hereby authorized to be appropriated the sum of \$10,000,000, out of any money in the Treasury not otherwise appropriated, for each of the fiscal years ending June 30, 1940, 1941, 1942, and 1943, to be expended under the joint direction of the Secretary of War and the Secretary of the Navy.

SEC. 7. (a) That the Secretary of the Interior, through the Director of the Bureau of Mines and the Director of the Geological Survey, is hereby authorized and directed to make scientific, technologic, and economic investigations concerning the extent and mode of occurrence, the development, mining, preparation, treatment, and utilization of ores and other mineral substances found in the United States or its Territories or insular possessions which are essential to the industrial needs of the United States for common defense, and the quantities or grades of which are inadequate from known domestic sources, in order to determine and develop domestic sources of supply, to devise new methods for the treatment and utilization of lower-grade reserves, and to develop substitutes for such essential ores and mineral products; to explore and develop, on public lands and on privately owned lands, with the consent of the owner, deposits of such minerals, including core drilling, trenching, test-pitting, shaft sinking, drifting, cross-cutting, sampling, and metallurgical investigations and tests as may be necessary to determine the extent and quality of such deposits, the most suitable methods of mining and beneficiating them, and the cost at which such minerals or metals may be produced.

(b) For the purposes of carrying out the provisions of this section there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each of the fiscal years ending June 30, 1940, 1941, 1942, and 1943, the sum of \$500,000, of which amount \$350,000 shall be appropriated to the Bureau of Mines and \$150,000 to the Geological Survey.

Mr. MAY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: Strike out all after the enacting clause and insert the bill H. R. 5191, "To provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States, and for other purposes," as amended in the Committee of the Whole.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider and a similar House bill (H. R. 5191) to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for armed forces and the civilian population in time of national emergency, and to encourage the development of these resources within the United States, and for other purposes, were laid on the table.

EXTENSION OF REMARKS

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members who participated in the debate on the bill H. R. 5191, the strategic and critical materials bill, may have 5 legislative days in which to extend their own remarks.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

DETAIL OF CERTAIN UNITED STATES EMPLOYEES

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3134) to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the act entitled 'An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes,' approved May 25, 1938, be, and the same is hereby, amended to read as follows:

"That the President of the United States be, and hereby is, authorized, whenever he finds that the public interest renders such a course advisable, upon agreement with the government of any other American republic or the Government of the Commonwealth of the Philippine Islands, or the Government of Liberia, if such government is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, other than those persons covered by the act of May 19, 1926 (44 Stat. 565), as amended by the act of May 14, 1935 (49 Stat. 218), from time to time to detail for temporary service of not exceeding 1 year at a time, under such government, any such person in the employ of the Government of the United States: *Provided*, That the President may, in extraordinary circumstances, extend the period of such detail for one or more additional periods of not to exceed 6 months each: *Provided further*, That while so detailed, such person shall be considered, for the purpose of preserving his rights and privileges as such, an officer or employee of the Government of the United States and of the department or agency from which detailed and shall continue to receive therefrom compensation, and he may receive additional compensation from the department or agency from which detailed not to exceed 50 percent of the compensation he was receiving as an officer or employee of the United States at the time of detail, and shall receive from the United States reimbursement for travel expenses to and from the place of detail and monthly allowances determined by the President to be adequate for quarters and subsistence during the period of such detail. The additional compensation, travel expenses, and other allowances authorized by this act to be paid to any such officer or employee shall be paid from any appropriations available for the payment of compensation and travel expenses of the officers and employees of the department or agency from which he is detailed: *Provided, however*, That if any government to which a detail is authorized by this act shall express the desire to reimburse this Government in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such reimbursement and the amount so received may be credited to (a) appropriations current at the time the expenses of such detail are to be or have been paid, (b) appropriations current at the time such amounts are received, or (c) in part as provided under (a) and in part as provided under (b) hereof; and such amount shall be available for the purposes of the appropriations to which credited: *And provided further*, That if any such government shall express the desire to provide advances of funds to be used by this Government, in whole or in part for the expenses of such detail, the President is authorized, when he deems it in the public interest, to accept such advances of funds, and the amounts so received may be established as a trust fund to be available for the purpose and under the provisions of this act until the termination of the detail; any unexpended balance of the trust fund to be returned to the foreign government making the advance."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us the nature of the Senate amendment?

Mr. MAY. I do not have the Senate amendment before me, but it is of a clarifying nature. It includes the amendment that was offered by the gentleman from Michigan [Mr. Wolcott] when the bill was under consideration in the House, and the House bill is not changed in any material manner.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the Committee of the Whole this afternoon and to include therein certain letters to which I referred.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KITCHENS and Mrs. ROGERS of Massachusetts asked and were given permission to revise and extend their own remarks.

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my own remarks made in the Committee of the Whole today and to include therein certain lists and tables to which I referred.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a statement made by me against the Florida cross-State canal.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a brief newspaper article.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. DITTER. Mr. Speaker, I make a similar request.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a short editorial from the New York Herald Tribune of April 20.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein remarks of the national commander of the Veterans of Foreign Wars.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein production and foreign-trade figures of the United States for chrome ore, manganese, tin, and tungsten, from 1909 to 1937, inclusive, as prepared by the Library of Congress Legislative Reference Section.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa [Mr. MARTIN]?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein excerpts from an article concerning the occurrences of tin in Alaska, written by J. W. Farrell.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a statement concerning the youth problem written by Joseph Cadden, executive secretary of the American Youth Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. HILL]?

There was no objection.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a broadcast made by me last Saturday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine [Mr. OLIVER]?

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend the remarks I made on the floor today and to include therein other remarks dealing with the same subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana [Mr. THORKELSON]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LELAND M. FORD, indefinitely, on account of illness.

To Mr. THORKELSON, for 2 days, May 1 and May 2, on account of important business.

To Mr. KELLER, for 1 week.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 828. An act to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy.

ADJOURNMENT

Mr. MAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Wednesday, April 26, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet again Wednesday, April 26, 1939, in the committee room, Capitol, for the purpose of continuing open hearings on the following bills and resolutions on the subject of neutrality: House Resolution 100, to prohibit the transfer, loan, or sale of arms or munitions (by Mrs. ROGERS of Massachusetts); House Joint Resolution 3, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. LUDLOW); House Joint Resolution 7, to implement the Kellogg-Briand Pact for World Peace (by Mr. GUYER of Kansas); House Joint Resolution 16, to prohibit the exportation of arms, ammunition, or implements or materials of war to any foreign country when the President finds a state of war to exist between or among two or more foreign states or between or among two or more opposing forces in the same foreign state (by Mr. KNUTSON); House Joint Resolution 42, providing for an embargo on scrap iron and pig iron under Public Resolution No. 27 of the Seventy-fifth Congress (by Mr. CRAWFORD); House Joint Resolution 44, to repeal the Neutrality Act (by Mr. FADDIS); House Joint Resolution 113, to prohibit the shipment of arms, ammunition, and implements of war from any place in the United States (by Mr. FISH); House Joint Resolution 226, to amend the Neutrality Act (by Mr. GEYER of California); House Joint Resolution 254, to keep the United States out of foreign wars, and to provide for the neutrality of the United States in the event of foreign wars (by Mr. FISH); House bill 79, to keep America out of war by repealing the so-called Neutrality Act of 1937 and by establishing and enforcing a policy of actual neutrality (by Mr. MAAS); House bill 163, to establish the neutrality of the United States (by

Mr. LUDLOW); House bill 4232, to limit the traffic in war munitions, to promote peace, and for other purposes (by Mr. VOORHIS of California); House bill 5223, Peace Act of 1939 (by Mr. HENNINGS); House bill 5432, to prohibit the export of arms, ammunition, and implements and materials of war to Japan, to prohibit the transportation of arms, ammunition, implements, and materials of war by vessels of the United States for the use of Japan, to restrict travel by American citizens on Japanese ships, and otherwise to prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China (by Mr. COFFEE of Washington); House bill 5575, Peace Act of 1939 (by Mr. HENNINGS).

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads at 10 a. m. Wednesday, April 26, 1939, for the consideration of H. R. 2209 and H. R. 5278, bills to place postmasters of the fourth class on an annual salary basis.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds at 10 a. m. Wednesday, April 26, 1939, for consideration of H. R. 5836 and S. 2050.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, April 26, 1939. Business to be considered: Hearing on S. 1302, petroleum shipments.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Wednesday, April 26, 1939, at 10 a. m., the following bills: H. R. 4592, allowing all registered vessels to engage in the whale fishery; H. R. 4593, relating to the whale fishery.

On Thursday, April 27, 1939, on H. R. 4983, to amend sections 712 and 902 of the Merchant Marine Act, 1936, as amended, relative to the requisitioning of vessels.

On Thursday, May 4, 1939, at 10 a. m., on H. R. 4650, making electricians licensed officers.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 26, 1939, at 10:30 a. m., for the consideration of House Joint Resolution 117, H. R. 2654, H. R. 4498, H. R. 5746, H. R. 5758, and H. R. 5851.

COMMITTEE ON ROADS

The Committee on Roads will hold public hearings on Tuesday, May 2, 1939, at 10 a. m., in the Roads Committee room, 1011 New House Office Building (ground floor), on the following acts and bills:

S. 1109 and H. R. 3522, to amend the act entitled "An act to aid the several States in making, or for having made, certain toll bridges on the system of Federal-aid highways free bridges, and for other purposes," by providing that funds available under such act may be used to match regular and secondary Federal-aid road funds.

S. 1985, to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937.

H. R. 4541, to provide for the completion of a part of the Lewis and Clark Highway between Kooskia, Idaho, and a point near Lolo, Mont.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

669. A letter from the Acting Secretary of the Treasury, transmitting the draft of a proposed bill to establish a Coast Guard Reserve to be composed of owners of motorboats and yachts; to the Committee on Merchant Marine and Fisheries.

670. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of the activities of the Reconstruction Finance Corporation for the month of Febru-

ary 1939 (H. Doc. No. 265); to the Committee on Banking and Currency and ordered to be printed.

671. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 11, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Monterey Harbor, Calif., authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 266); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

672. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1939, to remain available until expended, in the amount of \$32,500 (H. Doc. No. 264); to the Committee on Appropriations and ordered to be printed.

673. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Justice, aggregating \$4,000, to provide for repairs and alterations to the buildings occupied by the United States Court of Appeals (H. Doc. No. 263); to the Committee on Appropriations and ordered to be printed.

674. A letter from the Architect of the Capitol, transmitting the Annual Report of the Office of the Architect of the Capitol for the fiscal year ended June 30, 1938; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DEROUEN: Committee on the Public Lands. S. 509. An act to add certain lands of the Front Royal Quartermaster Depot Military Reservation, Va., to the Shenandoah National Park, and for other purposes; without amendment (Rept. No. 470). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 752. An act to amend section 78 of chapter 231, Thirty-sixth United States Statutes at Large (36 Stat. L., sec. 1109), relating to one judicial district to be known as the district of Idaho, and dividing it into four divisions, to be known as the northern, central, southern, and eastern divisions, defining the territory embraced in said divisions, fixing the terms of district court for said divisions, requiring the clerk of the court to maintain an office in charge of himself or deputy at Coeur d'Alene City, Idaho; Moscow, Idaho; Boise City, Idaho; and Pocatello, Idaho; and to authorize the United States District Court for the District of Idaho, by rule or order, to make such changes in the description or names to conform to such changes of description or names of counties in said divisions as the Legislature of Idaho may hereafter make; with amendment (Rept. No. 471). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 4322. A bill giving clerks in the Railway Mail Service the benefit of holiday known as Armistice Day; without amendment (Rept. No. 477). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLAHERTY: Committee on the Post Office and Post Roads. H. R. 5064. A bill to amend the act approved June 25, 1910, authorizing establishment of the Postal Savings System; with amendment (Rept. No. 478). Referred to the Committee of the Whole House on the state of the Union.

Mr. BOYKIN: Committee on Merchant Marine and Fisheries. H. R. 5756. A bill to amend section 509 of the Merchant Marine Act, 1936, as amended; with amendment (Rept. No. 479). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 2317. A bill relating to the disposition of funds derived from the Coos Bay Wagon Road grant lands; with amendment (Rept. No. 480). Referred to the Committee of the Whole House on the state of the Union.

Mr. PIERCE of Oregon: Committee on Agriculture. S. 1096. An act to amend section 8c of the Agricultural

Marketing Agreement Act of 1937, as amended, to make its provisions applicable to Pacific Northwest boxed apples; with amendment (Rept. No. 481). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. House Joint Resolution 247. Joint resolution to provide minimum national allotments for cotton; without amendment (Rept. No. 482). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES of Texas: Committee on Agriculture. House Joint Resolution 248. Joint resolution to provide minimum national allotments for wheat; without amendment (Rept. No. 483). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 5498. A bill to make applicable to the years after 1939 the special provisions relating to cotton baleage and acreage allotments which apply for 1939; with amendment (Rept. No. 484). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 485. Report on the disposition of records in the Civil Service Commission. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 486. Report on the disposition of records in the Department of the Interior. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 487. Report on the disposition of records in the Veterans' Administration. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 488. Report on the disposition of records in the Department of Agriculture. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 489. Report on the disposition of records in the United States Coal Commission. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 490. Report on the disposition of records in the Navy Department. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 491. Report on the disposition of records in the Post Office Department. Ordered to be printed.

Mr. ELLIOTT: Committee on the Disposition of Executive Papers. House Report No. 492. Report on the disposition of records in the Treasury Department. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROCKEFELLER: Committee on Claims. S. 1038. An act for the relief of L. M. Bell and M. M. Bell; with amendment (Rept. No. 472). Referred to the Committee of the Whole House.

Mr. KEEFE: Committee on Claims. H. R. 2695. A bill for the relief of Kenneth B. Clark; with amendment (Rept. No. 473). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on Claims. H. R. 2926. A bill for the relief of Bernard Woodruff; with amendment (Rept. No. 474). Referred to the Committee of the Whole House.

Mr. ELLIS: Committee on Claims. H. R. 3074. A bill for the relief of Edgar Green; with amendment (Rept. No. 475). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 3541. A bill for the relief of John Chastain and Mollie Chastain, his wife; with amendment (Rept. No. 476). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 5634)

granting 6 months' pay to Sidney M. Bowen, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LESINSKI:

H. R. 5977 (by request). A bill to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein, equivalent to 90 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes; to the Committee on Invalid Pensions.

By Mr. SHEPPARD:

H. R. 5978. A bill granting pensions to male nurses who served under contract between April 21, 1898, and February 2, 1901; to the Committee on Pensions.

By Mr. VAN ZANDT:

H. R. 5979. A bill to amend title X of the Social Security Act with respect to financial assistance to certain blind persons; to the Committee on Ways and Means.

H. R. 5980. A bill to amend title X of the Social Security Act with respect to financial assistance to certain blind persons; to the Committee on Ways and Means.

By Mr. BECKWORTH:

H. R. 5981. A bill to provide a minimum allotment for farm marketing quota purposes of five bales of lint cotton; to the Committee on Agriculture.

By Mr. CHANDLER:

H. R. 5982. A bill for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress, and providing penalties for the violations thereof; to the Committee on the Judiciary.

By Mr. DEROUEN:

H. R. 5983. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in rice and providing for the orderly marketing of rice at fair prices in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. EBERHARTER:

H. R. 5984. A bill to authorize the construction and operation of certain bridges across the Monongahela River in the county of Allegheny, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNERY:

H. R. 5985. A bill to require informative advertising of imported articles; to the Committee on Interstate and Foreign Commerce.

By Mr. IZAC:

H. R. 5986. A bill to give certain warrant officers and enlisted men who are retired with war-time rank the retired pay and allowances of such rank; to the Committee on Military Affairs.

By Mr. RANDOLPH:

H. R. 5987. A bill to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119); to the Committee on the District of Columbia.

By Mr. SUMNERS of Texas:

H. R. 5988. A bill to amend an act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938 (Public Law No. 583, 75th Cong., 3d sess.); to the Committee on the Judiciary.

By Mr. WELCHER:

H. R. 5989. A bill to amend the Railroad Retirement Act to provide annuities for individuals who are totally and permanently disabled and have completed 15 years of service; to the Committee on Interstate and Foreign Commerce.

By Mr. CHANDLER:

H. R. 5990. A bill creating the Memphis and Little Rock Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Memphis,

Tenn.; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER:

H. R. 5991. A bill to provide for the forest conservation of timber used in pulp; to provide for the eventual elimination of artificial market control of cotton; to use the surplus carry-over of cotton; to improve the quality of cellulose pulp; to provide a standard of cotton content in pulp; and for other purposes; to the Committee on Agriculture.

By Mr. AUGUST H. ANDRESEN:

H. R. 5992. A bill to require the earmarking of the subsidy paid by the Secretary of the Treasury for foreign gold and the spending of said subsidy for farm and manufactured products produced in the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. GEYER of California:

H. R. 5993. A bill to amend the Social Security Act with respect to its application to employees of fraternal beneficiary societies, orders, and associations; to the Committee on Ways and Means.

H. R. 5994. A bill to assure to persons within the jurisdiction of every State due process of law and equal protection of the laws, and to prevent the crime of lynching; to the Committee on the Judiciary.

By Mr. McLEOD:

H. R. 5995. A bill to designate the city of Detroit, Mich., as a port of entry for antiques; to the Committee on Ways and Means.

By Mr. RANDOLPH:

H. R. 5996. A bill to amend the act of Congress approved May 3, 1935, entitled "An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes;" to the Committee on the District of Columbia.

By Mr. GORE:

H. R. 5997. A bill to extend the time within which the States may cause toll bridges to be made free in order to qualify for aid under the act of August 14, 1937; to the Committee on Roads.

By Mr. STEFAN:

H. R. 5998. A bill to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes," approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas:

H. R. 5999. A bill to provide for the administration of the United States courts, and for other purposes; to the Committee on the Judiciary.

By Mr. NICHOLS:

H. Con. Res. 18. Concurrent Resolution to create a joint congressional committee to investigate the Gallinger Municipal Hospital; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to consider their resolution with reference to Social Security Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 6000. A bill granting a pension to Thomas L. Dwyer; to the Committee on Invalid Pensions.

By Mr. BRADLEY of Michigan:

H. R. 6001. A bill granting a pension to Sarah Foxton Judson; to the Committee on Pensions.

By Mr. CELLER:

H. R. 6002. A bill for the relief of Albert St. Clair; to the Committee on Immigration and Naturalization.

By Mr. COLE of Maryland:

H. R. 6003. A bill for the relief of William W. Tingle; to the Committee on Claims.

By Mr. DARDEN:

H. R. 6004. A bill for the relief of W. B. Fountain; to the Committee on Naval Affairs.

By Mr. FLANNERY:

H. R. 6005. A bill for the relief of Salvador Plesh; to the Committee on Military Affairs.

By Mr. GEHRMANN:

H. R. 6006. A bill to pay retroactive death-compensation benefits to Knud Jens Finstad; to the Committee on World War Veterans' Legislation.

By Mr. LUDLOW:

H. R. 6007. A bill for the relief of Joe Koor; to the Committee on Claims.

By Mr. McANDREWS:

H. R. 6008. A bill for the relief of Frank Schmitz; to the Committee on Immigration and Naturalization.

By Mr. MASON:

H. R. 6009. A bill for the relief of Robert B. Marshall; to the Committee on Claims.

H. R. 6010. A bill for the relief of John August Johnson; to the Committee on War Claims.

By Mr. MUNDT:

H. R. 6011. A bill for the relief of John H. Balmat, Jr.; to the Committee on World War Veterans' Legislation.

H. R. 6012. A bill for the relief of P. J. Kleinjen; to the Committee on Claims.

By Mr. RANDOLPH:

H. R. 6013. A bill for the relief of Glaspy V. Wolfe; to the Committee on Claims.

By Mr. ROMJUE:

H. R. 6014. A bill granting an increase of pension to Margaret Evans; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia:

H. R. 6015. A bill for the relief of Walter Rhodes; to the Committee on Military Affairs.

By Mr. IZAC:

H. J. Res. 275. Joint resolution to authorize the President to present the Distinguished Flying Cross to Frank W. Seifert; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2713. By Mr. BOLLES: Petition of officers and members of Kiel Camp, No. 2502, Royal Neighbors of America, Kiel, Wis., requesting that we support an amendment to the Federal Social Security Act exempting all such organizations; to the Committee on Ways and Means.

2714. Also, petition of officers and members of May Day Camp, No. 151, Royal Neighbors of America, Lodi, Wis., requesting that we support an amendment to the Federal Social Security Act exempting all fraternal organizations; to the Committee on Ways and Means.

2715. Also, petition of Racine Post, No. 76, the American Legion, Wisconsin, advocating a strict adherence to a policy of nonintervention in foreign affairs; to the Committee on Foreign Affairs.

2716. By Mr. CASE of South Dakota: Petition of Scott Gere and 45 residents of White River, S. Dak., favoring passage of the cost-of-production bill; to the Committee on Agriculture.

2717. By Mr. DARROW: Petition of the Philadelphia Board of Trade, urging favorable action on the Darrow bill (H. R. 4631), to continue the 44-hour workweek for employees engaged in certain wholesaling or distributing establishments; to the Committee on Labor.

2718. By Mr. EATON of California: Resolution adopted at the Twentieth Annual Convention of the Associated General Contractors of America at San Francisco, Calif., March 6-10, 1939, urging that the utilization of the vehicle of public-works construction to meet existing or future emergencies should be handled by an agency constituted for that purpose only, with authority to assist in the advance planning of projects; and that in the execution of such projects the costs should be fixed as a result of competitive bids and the contract awarded to the lowest qualified bidder; and that the administration of such emergency program of public-works construction be handled by such agency and none other; to the Committee on Appropriations.

2719. By Mr. ENGEL: Petition of Mr. and Mrs. Frank Emery, Mr. and Mrs. Ben Wyma, Mr. and Mrs. Claude Young, and others of Missaukee County, Mich., urging the strengthening of our neutrality policy to avoid all foreign entanglements which might lead to war; to the Committee on Foreign Affairs.

2720. By Mr. FLAHERTY: Memorial of the General Court of Massachusetts, favoring legislation increasing the amounts of old-age assistance payable by the Federal Government to States and their political subdivisions; to the Committee on Ways and Means.

2721. By Mr. HART: Petition of the Associated General Contractors of New Jersey, protesting against the enactment of Senate bill 2202 to consolidate the Public Works Administration, Works Progress Administration, Civilian Conservation Corps, Bureau of Public Roads, and the Procurement Division of the Treasury Department; to the Committee on Appropriations.

2722. By Mr. JOHNS: Petition of 122 dairy farmers stating that we, the undersigned dairy farmers of Outagamie County, Wis., being sorely pressed to pay our taxes and make a living due to the low prices of dairy products and the high prices that we have to pay for the things we buy, do hereby respectfully petition the Congress of the United States to approve the Wisconsin dairy program; to the Committee on Agriculture.

2723. By Mr. MARTIN J. KENNEDY: Petition of Charles of the Ritz, New York City, urging support of House bill 5630; to the Committee on Interstate and Foreign Commerce.

2724. Also, petition of the Industrial Home for the Blind, Brooklyn, urging support of House bill 5136; to the Committee on the Library.

2725. Also, petition of Local No. 31, National Association of Post Office Mechanics, Oyster Bay, N. Y., urging support of House bill 892; to the Committee on the Post Office and Post Roads.

2726. By Mr. KEOGH: Petition of the American Trucking Association, Inc., Washington, D. C., concerning Senate bill 2009, transportation bill; to the Committee on Interstate and Foreign Commerce.

2727. Also, petition of the Dressmakers Union of New York City, concerning House bill 210, the Celler bill; House bill 4369, the Lesinski bill; and House bill 3215, the McCormack bill; to the Committee on Immigration and Naturalization.

2728. Also, petition of the Dressmakers Union, New York City, opposing the Hobbs bill (H. R. 5643); to the Committee on the Judiciary.

2729. Also, petition of the Transport Workers Union of America, Michael J. Quill, president, New York City, favoring the passage of House bill 2888, providing for additional appropriation of \$800,000,000 to the United States Housing Authority for slum clearance and decent housing; to the Committee on Appropriations.

2730. By Mr. LEAVY: Petition of the Sportsmen's Association of Pateros, Okanogan County, Wash., urging that, in the contemplated reorganization of Government agencies, the national forests, Federal grazing ranges, migratory fowl and small bird protection and conservation programs, water pollution, and other kindred matters all be administered by a Department of Conservation, unhampered by the care of unrelated affairs; to the Select Committee on Government Organization.

2731. By Mr. LEWIS of Ohio: Petition of 27 elders and ministers of the St. Clairsville presbytery of the Eighteenth Congressional District of Ohio, protesting against the sale by the United States of such materials as cotton, oil, iron, and finished products to Japan to aid them in their aggression against China; to the Committee on Foreign Affairs.

2732. By Mr. MAGNUSON: Petition of the Washington Temperance Association of Seattle, Wash., submitted by W. J. Herwig, educational director, protesting against the advertising of alcoholic beverages over the radio, and urging passage of Senator JOHNSON's bill (S. 517); to the Committee on Interstate and Foreign Commerce.

2733. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging amendment of title 1 of the Social Security Act; to the Committee on Ways and Means.

2734. By Mr. PFEIFER: Petition of the American Trucking Association, Inc., Washington, D. C., concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

2735. Also, petition of the Dressmakers Union, Local 22, New York City, concerning the Hobbs bill (H. R. 5643), and the Smith bill (H. R. 5138), the Celler bill (H. R. 210), the Lesinski bill (H. R. 4369), and the McCormack bill (H. R. 3215); to the Committee on Immigration and Naturalization.

2736. Also, petition of the Transport Workers Union of America, Michael J. Quill, president, New York City, urging support of House bill 2888; to the Committee on Banking and Currency.

2737. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of legislation increasing the amounts of old-age assistance payable by the Federal Government to States and their political subdivisions; to the Committee on Ways and Means.

2738. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, favoring legislation increasing the amounts of old-age assistance payable by the Federal Government to States and their political subdivisions; to the Committee on Ways and Means.

2739. By the SPEAKER: Petition of Yankton Grange, No. 301, Patrons of Husbandry, 4 miles from St. Helens, Oreg., petitioning consideration of their resolution with reference to Senate bill 1108, concerning exportation of peeler logs; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 26, 1939

The House met at 12 o'clock noon.

Rev. Frederick Brown Harris, D. D., pastor of the Foundry Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Eternal Spirit, high over us all, yet deep within us all, we stand in reverence before Thee as together we face the tasks of this day. Help us to whom the torch of great traditions has been passed to serve the present age and to be loyal to the royal in ourselves. Disarm our minds of prejudice, suspicion, fear, and hatred. May our attitude to Thy other children of any race or nation not add to the poison which threatens the peace and happiness of our common humanity. Above all other loyalties and fealties may our ruling passion be to do justly, to love mercy, and to walk humbly before our God.

We lift before Thee the sacred interests of our Republic. We beseech Thee for high hearts and wise minds. Through all the maddening maze of these troubled times that are trying men's souls may we not be disobedient to the heavenly vision.

And now in this shrine of each patriot's devotion may we be still and know that Thou art God; that Thou wilt be exalted among the nations; Thy kingdom come and Thy will